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East Europe Report

ECONOMIC AND INDUSTRIAL AFFAIRS

No. 1999



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EAST EUROPE REPORT
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INTERNATIONAL AFFAIRS

INTERNATIONAL COOPERATION SOUGHT IN TRANSPORTATION PROGRAM

East Berlin DDR VERKEHR in German Vol 13 No 2, Feb 80 signed to press
20 Dec 79 pp 40-42

[*'Exclusive interview'* with Heinz Gerber, GDR deputy minister for transportation: "GDR International Transportation Policy Is Component Part of our Foreign Policy"]

[Text] [Question] In Berlin on 6 October last Leonid I. Brezhnev, general secretary of the CPSU Central Committee, and Erich Honecker, general secretary of the SED Central Committee, submitted proposals on military and political detente. These are a significant link in the chain of USSR and GDR efforts to establish a lasting peace.

General political and military detente is bound to stimulate the further organization of transportation relations, especially because the USSR proposal for convening all-European conferences on transportation, energy and environmental control has lost nothing of its topicality. How do you, comrade minister, evaluate this connection?

[Answer] I fully share the basic assumptions of your question, that is the links between general political developments on the international level and the development of international transportation relations, to the effect that a positive trend toward detente and greater cooperation necessarily produces a favorable effect on our sector also. It agrees with all sober reflections and practical facts. Of course the connection is not always obvious: Transportation relations, for example, develop in response to the growth of trade, but in matters of international transportation we must always begin with this basic connection.

The same evidently applies to our transportation policy, conceived and practiced for years by all socialist countries. This always had and always will keep in mind the necessary encouragement of transportation relations. The USSR proposal you mentioned in this connection, regarding the convocation of all-European conferences on environmental control, energy and transportation issues, represents a very conspicuous because tangible and significant practical example. As we saw at last November's Geneva conference on environmental issues, it is possible by these means to discuss and deal with important basic issues touching upon Europe as a whole.

Returning to your question, in my view the analogous proposal for the discussion of outstanding basic issues in the transportation sector certainly retains its topicality.

[Question] Comrade minister, on 5 October last the joint USSR and GDR program of specialization and cooperation through 1990 was signed in the presence of Erich Honecker and Leonid Brezhnev. What does this signify for our country's transportation system?

[Answer] First of all I would like to link this with your first question. When I said that it is a basic aim of socialist transportation policy to do everything necessary to encourage international transportation relations, this has obvious, direct and primary implications for the organization of relations with the USSR and the other socialist fraternal countries. The conclusion of a long-range program of cooperation by the USSR and the GDR through 1990 generally defines--and decisively so--the political and economic relations with our main partner; of course this applies to transportation also. Basically we may conclude that the exchange of goods will continue to grow in a stable and planned manner, while the extent of linkage between our economies is bound to increase with rising specialization. Of the utmost significance here are the tasks arising from the direct coordination of GDR and USSR economic plans for the period 1981-1985. Erich Honecker, general secretary of our party, quoted some more precise key figures at the Eleventh Plenum of the SED Central Committee. They included the supply of 21 million tons of hard coal, 8.5 million tons of iron ore, 4.8 million tons of crude iron and about a million tons of other metals such as copper and aluminum; in addition 7.7 million cubic meters of lumber and nearly half a million tons each of cellulose and cotton. All this and more will have to be carried and requires our full commitment to prompt and correct transport preparation in order fully to meet qualitative and quantitative requirements. Considering the planned further interlinking of our economies through 1990 these tasks will certainly not diminish in importance. There will also be a considerable volume of chemical goods in accordance with the special GDR-USSR agreement on chemical cooperation. The special nature of these goods often involves quite novel demands which we will have to prepare ourselves to meet. In short, within its general importance for our economy, an agreement of the magnitude of the USSR-GDR treaty you mentioned has quite immediate effects on our transportation system and the basic tasks of our international transportation policy.

[Question] The economic potentials of the member countries coalesce in CEMA. The target programs are their obvious reflections. What is the status of the preparation of the transportation links between the CEMA member countries?

[Answer] In reply to this question I am able directly to continue from what I just said. Long-term cooperation on appropriate and definite long-term plan coordination and programs of specialization and cooperation are generally typical for socialist economic integration within the framework of CEMA.

Close USSR-GDR cooperation is an outstanding example. The basic facts and connections in our bilateral relations also apply to the entire CEMA scene. In other words, the constantly increasing volume of the total exchange of goods coupled with structural shifts in the proportional importance of some types of goods determine the greater challenges of the years to come. A comprehensive approach is imperative to cope with this task. Ultimately that is the meaning and purpose of the long-term target program for cooperation in the field of developing transportation relations among the CEMA member countries, which was approved at last year's 33rd CEMA Meeting. As to the direct implications of your question, the target program has been drafted and confirmed; now it will be a matter of comprehensively implementing it.

To this effect specific agreements relating to the various carriers are now being concluded. These state the key issues of the actual tasks and provide for the necessary decisionmaking. The railroad agreement, for example, deals with the construction of second tracks or two-track and multitrack sections, the further pursuit of electrification and the equipment of sections with modern safety installations. These measures are designed to have freight trains operating on some sections, which can carry 3,000-4,000 tons, and to raise top speeds for passenger trains to 120-140 km per hour.

[Question] Aside from CEMA the GDR economy has many links with developing countries and capitalist countries. Here we have two questions.

First: What are the qualitatively new demands arising from GDR relations with the developing countries, especially the countries of Africa fraternally linked with us?

Second: How is the expansion of our transportation relations with the capitalist countries progressing; are the results favorable?

[Answer] There is not the slightest doubt that the GDR economy is deeply involved in the worldwide exchange of goods with other countries. The development of transportation relations is therefore immensely important. Concerning the first part of your question, the systematic expansion of international relations with the young national states represents a basic tenet of GDR foreign policy, exactly as set down in the basic documents of the Ninth SED Congress and the subsequent period. At the Eleventh Plenum also Erich Honecker reiterated that the support for the political and economic independence of the states emerging from national and social revolutions represents a basic principle of our foreign policy. Transportation is fully involved. That applies to the development of bilateral cooperation and also to aid within the scope of the United Nations. To further illustrate your example of the African Continent let me point out that, for example, we currently have 6 maritime and 14 aviation agreements with the countries of that region, while others are in preparation. Scheduled shipping links are maintained with such centers of international trade and maritime shipping as Algiers, Lagos, Luanda and Maputo, and so are permanent

air links with these centers as well as with Tripoli and Addis Ababa. On the one hand such links help support the efforts of these nations to achieve full independence, on the other the delegation of specialists to several such states provides direct aid for the construction and expansion of their transportation systems.

There are also many aid measures within the scope of the United Nations. As a topical example let me mention the training course for senior cadres employed in the maritime shipping industry of African states, organized last September by the Ministry for Transportation within the scope of the United Nations development program (UNDP). This course, given in Rostock, was considered very successful by all attendants and organizers, and another one is to be arranged in 1981.

As you see, the basic orientation of our foreign policy is gradually coming to life, and our international transportation policy is quite definitely involved.

Concerning the second part of your question, here too the answer is in the affirmative. To the extent that the implementation of peaceful coexistence has enabled us generally to improve relations and, in the wake of this development, to raise the exchange of goods, we have always endeavored to expand our transportation relations and will continue to do so in future, depending of course on the further progress of detente. Nine aviation, 2 maritime and 12 motor transport agreements with West European countries clearly show that we have well advanced in this respect.

[Question] As to European traffic, comrade minister, it is hardly imaginable without the GDR; due for one to the geographic situation of our republic in the center of Europe, for the other to the extensive transit traffic. How will the GDR transportation system prepare to cope with the expected demand for services in the 1980's?

[Answer] The GDR as a transit country at the center of Europe was always obligated to keep in mind the so-called "cross" traffic as well as the needs of its own economy. Altogether we have available a network of more than 7,000 km of main line and 13,000 km of main roads, 2,700 km of which are used especially by transit traffic. We also have 2,500 km of waterways which, within the scope of the admissible technical parameters and on the basis of the appropriate agreements and treaties, are available for transit traffic and constantly used by it.

Far more than 10 million tons in transit per annum on our rail tracks alone clearly demonstrate the dimensions of this traffic. To this we must add the road transport generated by the corresponding and dynamic development at the international level generally and also inland shipping transit traffic. All these types of traffic are a constant item in our planning and conceptions for the 1980's also, and we must take them into account just as much as the expected development of traffic to and from the GDR.

[Question] Comrade minister, our country is also confronted with the changed conditions prevailing on international markets. What are the consequences for the foreign exchange operations of our republic's transportation system?

[Answer] Your question touches on a basic problem of international relations with respect to transportation, involving economic targets and trends. The Eleventh Central Committee Plenum of our party once again emphasized that world market conditions and their trends provide vital criteria for the foreign trade operations of our republic. That applies fully to the transport market also, where the carriers sell transport services to third parties within the scope of their foreign exchange operations. The conditions prevailing on the market are decided by external regressions which affect transport needs and the level of prices by way of trade and its development as well as internal factors of the total supply situation, quality and price trends. Without specifically mentioning various transport relations or carriers I may summarize by saying that conditions have turned more complex in transportation also. In the spirit of the general orientation of the Eleventh Plenum it will be necessary for us here to do everything possible further to upgrade marketing, improve-- just as industry does --the quality and international competitiveness of services, make marketing more efficient and in general prepare ourselves better for the changed situation.

[Question] Foreign exchange conditions are one aspect, the conditions governing the use of means of transport the other. One example of such changed conditions of deployment is the UNCTAD code of behavior for scheduled service conferences, which includes the well-known cargo distribution formula. What is our attitude in this matter?

[Answer] Allow me to define this question more precisely. Certain foreign exchange aspects, that is financial conditions in the narrower meaning, represent one side of the coin and employment conditions the other; however, they still remain two sides of the same coin. The employment conditions of the carriers are the crucial implementation conditions on the international transport market because they affect access and therefore the volume of the potential sale of services. Here also we have the direct link with the previous question. Changed employment conditions in scheduled shipping services by way of cargo allocations in accordance with the scheduled service code provide an impressive example of the shift in the implementation conditions of the market.

Our attitude is quite clear. The scheduled service code was drafted with the help of the socialist states. The GDR was actively involved and also ratified the code. All our planning must now take it into account, and in fact does so. And here we start from the assumption that the provisions on the regulation of relations between foreign trade and marine shipping represent a stabilizing element in the transportation relations of this sector, and that this will generally result in the further advance of our shipping the world over.

[Question] In addition to UNCTAD the ECE is another important organ of the United Nations. The work of this organization touches upon the problems of transportation in the most varied areas. Would you please tell us what our operations are mainly concentrated on?

[Answer] In general we may claim that the United Nations organs and organizations existing within the field of economic cooperation touch upon transportation in many ways, just as the development of transportation is quite objectively an integral element of economic development as such. That certainly applies to the ECE which is also of particular importance by its specifically European field of operations and thereby for the border crossing traffic on our Continent and our European international transports. Transport operations are included in the competence of the inland transport committee, and within this special study groups deal with rail, road and inland shipping traffic.

To exemplify the work done previously and still outstanding let me quote some examples from the sector of road transport:

Vital efforts (in which the GDR also shares) cover, for instance, the standardized organization of traffic regulations, signs and signals, road safety, cooperation in the drafting of an agreement on the equipment, expansion and description of a network of international highways; the revision of regulations on the shipment by road of dangerous goods, the drafting of a convention permitting the international transportation of goods in bond across several national borders (TIR convention).

All these examples could be broadened and complemented by others. I believe, though, that I have shown quite clearly how the rules of international road traffic in general are hereby systematically extended and improved from various aspects. At the same time it is evident how important problems of border crossing transportation are approached and settled in a cooperative manner.

[Question] Comrade minister, it appears from your answers to our questions that the GDR has taken very seriously the intentions formulated in the section on cooperation in transportation of the final act of the Conference on Security and Cooperation in Europe. Do you see any further opportunities for advancement on this chosen route?

[Answer] Basically everything necessary has been said. If I may briefly summarize: The GDR orients its international transportation policy also to the directives of the Socialist Unity Party of Germany and the GDR Government, in agreement with the policies of the fraternal parties and governments of the socialist community of nations. In other words, we do everything--and will continue to do it--further to strengthen internal integration and purposefully and according to plan develop the necessary transportation system. In close cooperation we will continue to promote and aid peaceful coexistence in transportation matters also. The final act of the

Conference on Security and Cooperation sets practical tasks; some progress has been made, more remains to be done.

Concerning the opportunities for further progress, they will depend on the advance of detente in general. As for our readiness, the latest Eleventh Central Committee Plenum of our party has created the proper base. I hope that, from this level, we will succeed in achieving further favorable results regarding the development of international transportation relations in the interest of the encouragement of sensible international cooperation on the basis of peaceful coexistence.

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INTERNATIONAL AFFAIRS

BRIEFS

YUGOSLAV-BULGARIAN TRADE--According to final data from the Yugoslav Economic Chamber's section on economic relations with Bulgaria, 1979 exports from Yugoslavia to Bulgaria amounted to about \$100 million, or 77 percent of that planned; while imports amounted to about \$132 million in value, or 7 percent more than planned. In regard to services, Yugoslavia earned \$25 million, while Bulgaria earned about \$4 million. The total balance shows a deficit on the Yugoslav side of over \$32 million. Recent discussions in Belgrade between the Yugoslav and Bulgaria foreign trade secretaries...indicated that in 1980 the volume of trade could be \$350 million in value, although at the beginning of the year similar tendencies [to those of 1979] were seen; namely, about \$90 million worth of Yugoslav exports had been contracted for, while about \$100 million worth of Bulgarian exports had been contracted for.

[Excerpt] [Belgrade PRIVREDNI PREGLED in Serbo-Croatian 20 Mar 80 p 12]

CSO: 2800

BULGARIA

ENERGY MINISTER DWELLS ON ACHIEVEMENTS, FUTURE TASKS

Sofia ENERGETIKA in Bulgarian No 1, 1980 pp 3-4

[Article by Nikola Todoriev, minister of power supply: "All Efforts Must Be Dedicated To the Successful Fulfillment of the Final Stage of the Five-Year Plan"]

[Text] The fourth year of the Seventh Five-Year Plan is now past history. It has left durable and vivid marks in the development of our power industry and marked a new stage in its upsurge.

The past year was not easy. It called for constant efforts and great concern on the part of all labor collectives in our ministry for the successful and honorable fulfillment of the high assignments. The results we are reporting give us grounds to state, with satisfaction, that the set objectives were reached, and that we stand on the threshold of the 1980's with confidence and optimism.

The figures on the fulfillment of the plan in physical terms and the data on the implementation of quality indicators, reflecting the effectiveness of the power industry, indicate that the 1979 plan was successfully fulfilled for all indicators.

In 1979 the Ministry of Power Supply fulfilled its main task--to supply the entire national economy and the population in all areas of activities with the necessary quantity and quality of electric and thermal power, coal, and briquettes. We must also emphasize that in the implementation of this task we were guided not only by the obligation to meet requirements quantitatively but that of achieving the highest possible production effectiveness as stipulated in the plan in accordance with the decisions of the 11th BCP Congress and the National Party Conference.

Some essential 1979 data most eloquently proving achievements are the following:

Electric power output by the power plants of the Ministry of Power Supply totaled 1 billion 490 million kilowatt hours, or 5.7 percent over 1978.

Out of the overall growth of output 58 percent was accounted for by plants using local fuel. Compared with 1978 these plants increased their output 8.6 percent. As a result of the line followed by the ministry of limiting the work of plants using fuel oil and natural gas, compared with 1978 their output declined 15.6 percent.

The nuclear electric power plant produced a record quantity of electric power--6 billion 180 million kilowatt hours. Compared with 1978 this means a 269 million kilowatt hours increase. The hydroelectric power plants increased their output by 402 million kilowatt hours or 13.8 percent while retaining the volume of water in the dams above their level at the end of 1978;

The production of thermal energy reached 12,222,000 Gcal or 362,000 Gcal or 3.1 percent more than in 1978;

Coal extraction totaled 29.47 million tons or 2.38 million tons or 8.1 percent over 1978. Within this increase 1.865 million tons came from the mines of the Maritsa-Iztok SMEK [Economic Mining-Power Combine], or a 12 percent increase compared with 1978;

In 1979 237,000 tons of coals and briquettes were delivered to the commodity stock, or a 12.4 percent increase;

Compared with 1978 the volume of overall industrial output, based on preliminary estimates, rose 8.6 percent;

The volume of construction output carried out by the two construction organizations of the ministry--the Minstroy SO [Economic Trust] and Elektroizgrazhdane SK [Economic Combine] is being overfulfilled;

The plan for prospecting and planning operations was overfulfilled.

Carrying out our production activities, as I pointed out, our main concern was to achieve the highest possible effectiveness, particularly in lowering material outlays and in conserving fuels and electric power. Positive results were achieved in reaching the technical and economic indicators as follows:

The specific outlays of conventional fuel for the production of electric power declined from 393.9 grams per kilowatt hour in 1978 to 386.5, or by 7.4 grams;

Electric power expenditures for the house needs of power plants declined by 0.26 percent, including 0.22 percent in the TETs;

Electric power losses in transportation, transformation, and distribution dropped 1.22 percent or by 370 million kilowatt hours.

Improvements in the technical and economic indicators and in the conservation of liquid fuels and natural gas resulted in considerable fuel and electric power savings. The sources of the economy and quantities of saved electric power carriers and resources are the following:

Reduced production of electric power by thermoelectric power plants using fuel oil and natural gas, compared with 1978, totaled 60,000 tons reduced to fuel oil, or 120,000 tons in terms of the initially approved planned figure;

Reduced production of thermal energy with fuel oil and natural gas compared with the planned figure--90,000 tons in terms of fuel oil;

Reduced specific outlays of fuel compared with 1978--135,000 tons conventional fuel;

Reduced outlays of electric power for house needs compared with 1978--60 million kilowatt hours;

Reduced losses for transport, transformation, and distribution of electric power, compared with 1978, as we pointed out, 370 million kilowatt hours.

The good results achieved in 1979 were due to the efforts of all collectives within the system of the Ministry of Power Supply. However, we cannot say that everything developed smoothly in the implementation of the tasks. There were difficulties both of an objective nature--particularly in the first two months of the year, caused by the exceptionally hard winter conditions--as well as of a subjective nature.

In 1979 the use of basic productive capacities--heavy mining mechanization facilities at the Maritsa-Iztok SMEK and the Bobov Dol SMEK was considerably below requirements and our own resolutions; the annual utilization of the electric generation capacities of the Purva Komsomolska "Maritsa-Iztok 2," and Bobov Dol thermoelectric power plants remained unsatisfactory; no upturn was achieved in the work of the Ruse, Maritsa 3, and Republika theremoelectric power plants.

The problems of technological and labor discipline, to which the attention of our management remains focused, continue to create concern.

This year as well we were unable to fulfill our capital investments plan. This will inevitably lead to difficulties in subsequent years, since plant capacities, particularly important among which are those of coal extraction, and of a number of projects in the electric transmission grid--substations and cables--were not installed.

Despite the efforts and tangible results achieved in the efficient utilization of raw materials, materials, and electric power, and in the expenditure of funds, the level reached remains below that of requirements set in the decisions of the July plenum and the National Party Conference.

Along with the efforts to insure the implementation of the 1979 plan by the Ministry of Power Supply as a whole and its economic organizations, branches, and teams, tremendous work was done to draft the plan for 1980 and 1981, characterized by the following features:

The production of electric power within the ministry's system will reach 31 billion 420 million kilowatt hours in 1980 or 3 billion 631 million or 13.1 percent more than in 1979. In 1981 the output must be increased by yet another 2 billion 680 million kilowatt hours, totaling 34.1 billion.

In the years to come as well the trend of raising the share of electric power produced out of local coal and increasing the share of nuclear electric power by lowering the output of plants operating with imported fuels will be retained. In 1980 nuclear electric power will account for 22.4 percent and, in 1981, 26.9 percent of the overall production of the electric power plants within the ministry's system. Its share will be increased as a result of the forthcoming start-up of the third and fourth reactors at the Kozloduy Nuclear Power Plant. The electric power produced by the thermoelectric power plants will equal, respectively, 65.8 and 61.7 percent.

The electric power of thermoelectric power plants using local coal rose from 57.7 percent in 1978 to 60.3 percent in 1979. This trend will be retained and their share will reach, respectively, 61.1 percent in 1980 and 64.2 percent in 1981.

The production of thermal energy will reach 14 million Gcal in 1980 or a 1,778,000 Gcal increase (14.5 percent) compared with 1979; in 1981 it will be raised by yet another 1 million 390,000 or 9.9 percent.

The 1980 overall electric power consumption is planned for 29 billion 760 million kilowatt hours, or 2 billion 744 million or 10.2 percent over 1979; it will reach 32 billion kilowatt hours in 1981, rising by a total of 2 billion 240 million, or 7.5 percent.

These are major and stressed assignments. Particularly important for their implementation are two conditions: First, the electric power plants of the Maritsa-Iztok Combine and the Bobov Dol Thermoelectric Power Plant, which play a decisive role, must work on a stable basis and at a higher capacity; secondly, the new capacities must be completed on time.

The 1980 and 1981 plan pays great attention to the development of coal extraction. It is scheduled to reach 33,220,000 tons in 1980 and 39,085,000 tons in 1981. Compared with 1979 the 1980 increase will be by 3,750,000 tons, or 12.7 percent; the 1981 increase will be by yet another 5,865,000 tons, or 17.7 percent.

The great increase in coal extraction will be insured with the utilization of new production capacities in 1980, for a total of 2.4 million tons, and the gradual conversion to uninterrupted work at the operating mines.

Requirements concerning the quality indicators as reflected in the plan are substantial.

Specific outlays of conventional fuel, averaging for the system, must be reduced to 384.5 grams per kilowatt in 1980 or 2.0 grams compared with 1979, per kilowatt electric power. In the production of thermal energy the plan calls for 171.7 kilograms per Gcal or a reduction by 0.8 kilograms per Gcal.

Electric power outlays for home requirements in 1980 will be 9.85 and, in 1981, 9.76 percent.

Electric power losses in transportation, transformation, and distribution will average 9.33 percent in 1980 and 9.26 percent in 1981.

In the next two years maximum efforts must be made to commission the new production capacities within the planned deadlines and insure the most effective utilization of appropriated capital investments which will exceed 529 million leva in 1980 and 658 million leva in 1981. The most important tasks in this respect face the collectives of the Maritsa-Iztok SMEK, Kozloduy Nuclear Power Plant, Bobov Dol SMEK, and others.

Obviously, efforts to upgrade our work effectiveness must continue even more adamantly in order to upgrade our work effectiveness. This will be accomplished through the implementation of all specific measures included in the engineering plans of economic organizations and their branches and teams.

Insuring the necessary amount of coal for 1980 and 1981 for the three power plants of the Maritsa-Iztok SMEK and Bobov Dol Thermoelectric Power Plant will be the most important task of decisive significance for the successful implementation of the assignments set by the party and the government.

In order to achieve the planned indicators, the following must be accomplished in the next two years:

Implementation of measures aimed at increasing coal extraction;

Raising the level of utilization of equipment in mines, power plants, and repair bases of the coal mining industry, the Energoremont SO, the Minstroy SO, and others;

Raising the share of mechanized extraction in underground mines, reaching 50 percent in 1980 and 53 percent in 1981;

Fulfillment of the repair program in accordance with the maximum observance of the schedule for machine and equipment repairs and improving repair quality;

Improving the technical condition of the power plants in accordance with the requirements of the power generation system and of uninterrupted operations;

Optimizing the work system of electric power plants, including electric power imports;

Analyzing the flow distribution within the power system and the introduction of systems insuring reliable electric power supplies to consumers and achieving minimum losses of electric power in transportation, transformation and distribution;

Implementation of construction and installation work projects and observing the completion deadlines for the commissioning of new capacities and productive capital;

Providing high level population services through the timely and qualitative maintenance and repair of electric meter facilities, and display of maximum concern by the electric supply combines in insuring the timely installation and repair of double-rate electric meters and clocks;

Developing the possibilities of the scientific potential and the collectives of Energoproekt, Minproekt, and Tekhenergo in resolving topical and long-term problems related to coal extraction and power production and the practical utilization of scientific achievements;

Upgrading the power effectiveness of industrial power facilities and expanding engineering-application activities in the utilization of new energy sources.

The year 1980 marks the final stage of the Seventh Five-Year Plan. It must become the peak of the five-year plan for which the necessary prerequisites exist.

'We have all reasons to expect that 1980 will be better than 1979,' Comrade Todor Zhivkov said, "for our successes in the past year are merely the initial results of an overall economic policy developed by the 11th Congress, the July Central Committee Plenum, and National Party Conference, a policy which will as yet be developed in the new year and the Eighth Five-Year Plan."

The main feature facing our collectives today is to organize and mobilize themselves for the fulfillment and overfulfillment of the counterplans based on the indicators approved by the state plan.

No single collective or individual worker should become a straggler in the five-year plan.

In 1980 we must also create conditions for the development of the intellectual prerequisites which will insure in the following stage increased labor productivity on a quantum manifold basis.

This calls for the development of a systematic economic approach in all activities. Reserves must be found and outlays of materials, raw materials, energy, and working time must be lowered essentially through the use of scientific and technical progress. The leading experience of the best production workers must be disseminated and the rich sources provided by the achievements of the Soviet power industry must be used intensively.

On the threshold of the Eighth Five-Year Plan, our labor collectives are displaying firm confidence in the future and inflexible resolve to convert the final year of the Seventh Five-Year Plan into a bridge to reaching higher objectives for the sake of our bright socialist future.

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CSO: 2200

BULGARIA

PARTY OFFICIAL ADVOCATES NEW APPROACH, HIGHER OUTPUT IN AGRICULTURE

Sofia KOOPERATIVNO SELO in Bulgarian 11 Mar 80 pp 1-2

[Article by Krustyu Krustev, deputy head of the agricultural department of the BCP Central Committee: "Changes in Approach, Thinking, and Actions"]

[Text] The decisions of the March BCP Central Committee plenum on converting agricultural and food industry management to a systematic economic base marked a new stage in the creative development and enrichment of the party's agrarian policy. The objective need and strategic intent of these decisions are as yet to be manifested in increased results and quality of agricultural output.

The one year experience gained in the application of the new economic mechanism and the economic ways and means of administration and management confirmed their vital strength and comprehensive impact on the growth of output and its increased results.

Not only was a considerable increase in output of basic agricultural commodities, grain and animal husbandry products, above all, reached in 1979, but a great increase in effectiveness was achieved as well. The net output of the National Agroindustrial Union rose 14.6 percent; public labor productivity rose 11.9 percent while profits more than doubled. These figures unquestionably confirm the positive results achieved in the changes in approach, reorganization of thinking, and action of agricultural workers, and of all cadres and units in implementing the party's strategy leading to high results and high quality everywhere and in everything. The unquestionable truth is that in the agroindustrial complexes in Razgrad, Silistra, Shumen, and other okrugs, where the requirements of the new economic mechanism were applied, better results were achieved. At the same time, the great disparities of results among okrugs and economic organizations and production units operating under relatively similar conditions indicate that not everywhere has a total reorganization been achieved in management based on the economic approach. To this day the efforts of some cadres are not

focused on bringing to light all reserves for upgrading production results. They are rather focused on lowering state assignments or their formal adoption without seeking sources for their implementation.

The planned assignments for 1980 are based on the high requirements of the party's strategic line of high effectiveness and high quality. They are entirely consistent with the created material and technical base and the great opportunities of the subjective factor. Along with the considerable growth in the production of basic products, the emphasis is put on quality indicators as well. The planned increase in net output is 11.6 percent and that of social productivity, 17 percent. Essentially this means greater production effectiveness to be achieved through the extensive and accelerated application of the latest achievements of scientific and technical progress and improvements in the socialist organization of labor.

This year better material-technical and organizational conditions were created for effective economic activities. New productive capital worth over one billion leva will be installed. Compared with 1979 more fertilizers, preparations, and other materials have been secured. The reaching of a higher pace of increase in agricultural production and in upgrading its effectiveness depends today, to the greatest extent, on the systematic application of the economic approach.

Everyone must profoundly realize and understand that the systematic application of the economic approach and the full application of the principles of the economic mechanism are today the main levers governing the application of all factors and reserves to promote human initiative and creativity and drastically upgrade output and improve its results. For this reason, the systematic application of the economic approach at the present stage is not only the most important economic but political task as well.

The main content of the economic approach is the systematic application of cost accounting and internal cost accounting, and insuring the full self-financing of each economic organization and production unit. It is imperative to undertake effective work to master the basic principles and requirements of the mechanism by the members of the production units, and to explain its effect based on the specific planned assignments to be implemented by each unit. In 1979 some agroindustrial complexes did not achieve a change in this respect essentially because of subjective reasons.

The main task now is for the principles and requirements of cost accounting and self-financing to be applied in the formulation of the counter-plans by each economic organization and production unit in accordance with the new market conditions.

Discussing and adopting the planned assignments for 1980, every participant in the production process must be clearly aware not only of the problems to be resolved but the socioeconomic outlays needed for resolving them, and the rewards to be gained by everyone in their implementation or the economic penalties which will be applied for nonimplementation. Great attention should be paid to developing reserves. This can be attained by using the achievements of technical progress and leading experience, saving on material and labor outlays, and upgrading labor productivity. Everywhere open discussions must be held with the people. We must engage not only in specific and purposeful organizational and explanatory but extensive political work as well so that everyone could understand that this is not only an economic but a major political task as well.

Several decisive measures which have proved their exceptional importance in the use of internal cost accounting should be the target of the economic managements and be extensively applied in practical work: the ceiling-checking and other systems for controlling material and labor outlays, the piece-rate system of wages with hourly advances, and the monthly drawing of the internal cost accounting balance within each production unit. It would be proper for internal cost accounting to come out of the offices and be taken up by the production collectives and become the decisive means for finding production reserves, upgrading the people's material incentive, and insuring effective production management. One of the main prerequisites of the agroindustrial complexes in Burgas, Varna, Plovdiv, Silistra and other okrugs enabling them to guarantee the necessary wage fund in 1979 was the proper internal cost accounting maintained through the year.

Considerable progress was made in implementing the decisions of the March plenum in surmounting the administrative-bureaucratic methods of agricultural planning. The central determination of a few mandatory indicators, insuring the material and value balances of the state, makes it possible for all agroindustrial complexes to formulate an extended counterplan, and find and utilize all reserves aimed at reaching high effectiveness indicators and, on this basis, insure the fullest possible combination among public, collective, and private interests. Essentially, the counterplan becomes an open dynamic plan which should include the constantly discovered reserves in improving the socialist organization of labor, the systematic introduction of internal cost accounting, and the enhancement of the role of the subjective factor.

The task now is for this qualitatively new aspect in planning to be realized and understood by all cadres and to be fully applied in the planned management of economic activities. The improvement of quality indicators in the formulation and implementation of the plan should not be sought in amending planned assignments from above but in the skillful

utilization of economic means and levers, the fuller application of commodity-monetary relations, and the organizing and mobilizing role of the leva. Under the effect of the new wholesale prices, which reflect, to the greatest extent, the level of socionecessary production outlays per unit of output, better results should be achieved, above all, through the further growth of social labor productivity, the establishment of a proper production structure, the increase in the natural volume, and the enhanced quality of output. Without a real turn in the work and full utilization of commodity-monetary relations the implementation of the economic approach cannot be secured. Okrugs such as Yambol, Ruse, and others, in which this approach has been properly applied, have had their agroindustrial complexes adopt counterplans consistent with the high criteria of upgrading production effectiveness.

The systematic application of the economic approach calls for its basic principles--economic incentive and economic coercion--to be applied and activated at all levels of management of the National Agroindustrial Union. Along with economic coercion, the main emphasis should fall on economic incentives and the material incentive of the economic organizations and units to increase the production of goods both profitable to and needed by the national economy.

Incentive through state planned assignments and purchase prices, based on a highly effective production structure, are major strategic problems to be resolved this very year. Definite prerequisites exist to accomplish this. The most profitable are the grain, industrial, and other strategic crops which determine the production structure of most agroindustrial complexes. The increased output of such goods is the basic means for upgrading the results of the structure and profitability. At the same time, the strategic solution of the problem demands of each economic organization to review its production structure under the conditions of the new prices with a view to increasing results and insuring total self-financing.

The proper channeling of capital investments and available funds at all levels of the National Agroindustrial Union is a major prerequisite for upgrading results. The main criterion is the concentration of capital investments and the channeling of funds into the fast installation of new production capacities, modernization and reconstruction, and improvements in working and living conditions, thus enhancing the socioeconomic results of the production process.

The application of economic incentives and economic coercion, and the energizing of the subjective factor in the systematic application of the economic approach largely depend on the comprehensive and proper observance of contractual relations among economic organizations within the systems of the National Agroindustrial Union, and the timely application of the entire system of incentives and penalties for nonfulfillment

of contractual obligations. In practice, last year, major weaknesses were allowed to occur particularly in the application of penalties and the seeking of responsibility. The improvement of contractual relations among economic organizations within the system of the National Agro-industrial Union must insure, above all, the upgraded responsibility for the fulfillment of contractual obligations and intensifying the economic influence of purchasing organizations through the leva on upgrading the production of goods in demand on the international and domestic markets. The systematic application of the economic approach at the present stage is organically linked with the expansion and improvement of the brigade organization of labor. Attention must be focused on the development of brigades of a new type, of suitable dimensions, composition, and production structure, and the use of existing equipment and new machine systems, thus creating conditions for the rapid application of the new technologies and the increase of labor productivity severalfold.

In order to achieve a decisive improvement in the organization of labor and high production results, conditions must be created in each brigade for the introduction of modern technologies and machine systems which would cover a complete production cycle and yield finished products. Each brigade must be organized on an intra-cost-accounting basis. The efforts to improve the brigade organization of labor and the application of brigade cost accounting has still not assumed the necessary scope and purposefulness consistent with the new requirements and the criteria of the economic approach. In many areas traditions and the old approach hinder the development of work on a broad scale aimed at improving the brigade organization of labor.

Under contemporary conditions the application of the economic approach is most closely linked with the accelerated application of the latest achievements of scientific and technical progress, for it is only on this basis that labor productivity could be drastically upgraded and production results improved. The basic directions in agriculture involve the extensive application of engineering designs in raising the basic crops, and of essentially new solutions related to soil cultivation, raising the utilization coefficient of the land and the equipment, full utilization of mountain meadows and pastures, and standardized feeding. They must become the basic content of application efforts not only in agroindustrial complexes but in all scientific units within the system of the National Agroindustrial Union. The approach must be radically changed in this direction. The accelerated application of the latest achievements of scientific and technical progress should be organized on an economic basis. Extensive use must be made of measures which yield high economic results so that, in the final account, production results may be increased. The experience we have acquired so far indicates that the use of achievements based on an economic foundation leads to considerably higher results. This very year we must apply on a broader

scale the new system of soil cultivation and the essentially new technologies in crop growing and animal husbandry, for this is the only way for achieving a decisive upgrading of labor productivity, reducing fuel expenditures, shortening the time needed for agricultural operations, and decisively raising farm standards.

The implementation of the instructions issued by Comrade Todor Zhivkov at the 30 January 1980 National Conference should bring about the even more systematic application of the economic approach in agriculture. The main task now is for the economic approach to become a guiding principle in the work of all cadres, specialists, and agricultural workers, and insure a radical change in their way of thinking and action, leading to the establishment of the type of work and management system which would be consistent with the principles and requirements of the economic mechanism.

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CAPITAL INVESTMENT PLAN FULFILLMENT IN 1979 VIEWED

Prague PLANOVANE HOSPODARSTVI in Czech No 2, 1980 p 15-23

[Article by Engr Dezider Vasak, State Planning Commission: "Fulfillment of Capital Investment Plan on Mandatory Construction Projects in 1979"]

[Text] A total of Kcs 136.8 billion were invested in the national economy (excluding "Z" beautification campaign and investment by private individuals) in 1979 of which construction work amounted to Kcs 75.4 billion and deliveries of machinery and equipment to Kcs 61.4 billion. The plan of investments in the national economy was fulfilled 100.2 percent: the deliveries of machinery and equipment were surpassed--107.5 percent, while the planned volume of construction work fell short of the goal--95 percent.

The fulfillment of the plan considerably varied in individual categories of investments. In regard to the construction projects with the budget costs up to Kcs 2 million and machinery not included in the construction budgets, the state plan was fulfilled 111.8 percent in 1979 primarily because the target set for shipments of machinery to agriculture was substantially surpassed. In regard to the construction projects with the budget costs exceeding Kcs 2 million, the plan targets were generally met 91.8 percent including those for deliveries of machinery and equipment 94.2 percent and for construction work 90.4 percent. These unsatisfactory results primarily in construction work were due to the extraordinary poor results on the so-called "other construction projects" which were not included, on the priority basis, among the mandatory tasks of the state plan.

There was a relatively more favorable fulfillment of the planned volume of work and deliveries--but only in comparison with construction projects with RN [budget costs] above Kcs 2 million--on the construction projects designated as the mandatory tasks of the state plan (mandatory projects).

The mandatory tasks of the state plan ensure the preparation of and construction process on the most important projects which are of key importance to further development of our economy. These are the projects providing for major increases in production capacities, basic structural changes and implementation of state target programs and programs of socialist economic integration

primarily in the fuel and power sector, metallurgy and engineering industry, chemical and consumer industry, industry of building materials, transportation and water management. In addition, they include projects important for the living environment, projects important for the entire society (particularly on the territory of Prague and Bratislava) and cultural and health projects.

With reference to all these mandatory construction projects, the investors', designers' and contractors' responsibility for the preparation of these projects and for construction progress are stated as mandatory tasks in the state plan, with special emphasis on investors and suppliers, to accomplish their required completion of a priority schedule.

Fulfillment of Plan on Mandatory Projects

The fulfillment of planned volumes of work and deliveries on mandatory projects during 1979 has not always and in all instances corresponded to their significance and importance or to the effort expended for their preparation and signing of contracts with the suppliers and implementation. Table 1 shows the fulfillment in individual quarters of 1979 in percentages of the annual plan targets and comparison with 1977 and 1978.

The fulfillment of the planned volume of work and deliveries on mandatory projects in the course of 1979 was somewhat lower than in the previous years. The lag in the fulfillment of the plan during the first quarter which was caused by very unfavorable weather and difficulties in fuel and energy supply could not be made up for in the course of the second and third quarter. The fulfillment of the plan of construction work was somewhat better in October (9.3 percent of the annual target), November (10.4 percent) and December (13.4 percent) so that the annual plan of construction work was fulfilled 103.7 percent. The situation was worse in the deliveries of machinery and equipment because the monthly performance was below 8 percent of the annual target both in October and November. Nevertheless, the plan was fulfilled because the monthly target was substantially surpassed in December (19 percent of the annual target which almost equalled the quarterly performance in the previous period).

These overall data on the fulfillment of planned volumes of work and deliveries on the mandatory construction projects make it clear that the biggest reserves exist primarily in evenly spread work. The performance was poor particularly in the second and third quarter, although the weather conditions could not hinder the implementation of the capital investment plan during this period. The postponement of fulfillment to the fourth quarter further increased the backlog of construction work, caused a big accumulation of mechanical equipment and thus also the problems of assembly.

There were considerable differences among individual ministries in the overall fulfillment of the plan in terms of volume on the mandatory projects. Favorable results were achieved in the sectors supervised by the Federal Ministry of Fuels and Power (106.1 percent), mainly on the structures

related to the transit natural gas pipeline (119.4 percent), Federal Ministry of Transportation (108.3 percent) and on the construction projects carried out by the National Committee of the capital of Prague (111.2 percent). The poorest results on the mandatory projects were achieved by the Federal Ministry of General Engineering (84.3 percent), Federal Ministry of Metallurgy and Heavy Engineering (99 percent), and SSR Ministry of Industry (98 percent), while the CSR Ministry of Industry, excluding the petrochemical industry, met the planned volume of work and deliveries only 89 percent.

From the results achieved in terms of the volume of work and deliveries on the mandatory projects in 1979 and from the comparisons of the plan fulfillment on other construction projects with the budget costs above Kcs 2 million it follows that, as to the national economy as a whole, it was at least partly possible to deliver the bulk of construction work and equipment to the mandatory construction projects. On the other hand, however, the suppliers' performance considerably varied in regard to individual mandatory construction projects. The number of construction projects increased on which the overall performance considerably lagged behind the annual plan targets. The summary of the plan fulfillment on the mandatory projects in 1979 makes it clear that from the total number of 228 projects the annual plan was not fulfilled on 100 projects. Moreover, despite their importance the annual targets were met only 50-80 percent or even less on quite a few of them. The noncompliance with the plan volume indicators is the first sign that the deadlines set for putting production capacities into experimental operation and completion of projects may not be ultimately met.

On the other hand, there are a number of construction projects which surpassed the planned volume of work and deliveries in 1979. Among them for example were: Maxim Gorki giant mine, structure No 4--117.1 percent; Brezno quarry, structure No 3--131.6 percent; underground storage tank for natural gas Lab, structure No 3, first stage--177.4 percent; Chvaletice power plant, Structure No 2--144.0 percent; PVE [Vah River Basin Hydroelectric Power Plants] Cerny Vah--119 percent; SZ [Sverma Iron and Steel Works] Podbre-zova--pipe extrusion plant--151 percent; freeway sections UTB [Central Telecommunication Building] Prague and others.

By referring to the instances in which the planned volume of work and deliveries was not met in 1979, I want to point out the considerable unevenness in the plan fulfillment on individual mandatory projects which was ultimately reflected in the noncompliance with the deadlines set for completion of production capacities and putting them into operation. It is precisely in the more even fulfillment of the plan on all mandatory projects that we must look for reserves of the improvement of overall fulfillment of the capital investment plan.

Putting Capacities into Experimental Operation

In the course of 1979, the investor and supplier ministries were instructed to concentrate, to a maximum possible degree, production capacities, products and materials to the mandatory construction projects, primarily those close to completion so that production capacities could be put into experimental operation on schedule specified in the state plan. Yet, even this concentrated effort aimed at completion of unfinished projects did not produce desirable results in 1979 as is clear from the fulfillment of the plan.

The CSSR government resolution No 288/78 specified putting 73 production capacities into experimental operation in 1979 as the mandatory task of the state plan. In the course of 1979, the government set new deadlines (1980-1981) for six capacities. As a result, there remained 67 capacities in the state plan in the total value of Kcs 27.3 billion.

As this brief summary makes it clear, there still are considerable reserves in putting capacities into experimental operation within the deadlines specified in the state plan. Of the total number of 20 capacities only 4 were put into operation during the first through third quarters of 1979, while another 4 planned for the fourth quarter, were put into operation ahead of schedule.

On the annual target of 67 capacities, 40 (in the value of Kcs 12.7 billion) that is 60 percent of the planned number (40 percent of total RN) were put into experimental operation by the end of 1979.

The following capacities were put into experimental operation ahead of schedule during 1979: quarry Jiri, structure 2, 1st stage (maintenance of output); underground storage tank Lab, structure 2; VZKG [Klement Gottwald Iron Works in Vrkovice]--modernization of the fire brick plant and the Horice-Humpo-lec section (16.4 km) of superhighway D-1.

A total of 30 capacities were put into experimental operation on schedule. Among them for example were: 12 compression stations on the transit natural gas pipeline; SZ Podbrezova--pipe extrusion plant and accessory operations; SES [expansion unknown] Tlmace--shop 4, separators; NHKG Kuncice--central oxygen plant, structure No 1; Modrany Engineering Plants Prague--expansion of the plant; Zetor Brno--assembly plant for tractors; Tatra Koprivnice--galvanization plant; MSA [expansion unknown] Dolni Benesov--energy block (energoblok); Pavov-Rehorov section (15.3 km) of superhighway D-1; Central Telecommunication Building Prague, sewer main K Prague and so on.

The following capacities were put into operation behind schedule in 1979: CHZJD Bratislava--POP fabric; cement plant Prachovice; SZ Podbrezova--tube drawing plant, structure No 2 and NHKG Kuncice--central oxygen plant, structure No 2.

Of the total number of 21 capacities whose completion was postponed to 1980 or subsequent years, the CSSR government presidium took notice of the extension of deadlines for putting six capacities into experimental operation. The extension of the original deadlines is being negotiated (this means that material had been prepared or already submitted to the CSSR government presidium with the request for extension of the original deadline) on other major projects such as transit natural gas pipeline--four compression stations; Lumber Combine Polomka--chipboard; Povarska Bystrica--energy and water sources; ZTS [Heavy Engineering Plants] Martin--manufacture of engines for tractors; Tatrasvit--knitting combine Kosice; Chemosvit--POP [expansion unknown] silk fabrics; Tatra Koprivnica--expansion of the Pribor plant; Elitex Surany--machinery for textile industry; RAKO III--ceramic wall tiles. In addition, the following capacities were not put into experimental operation: Tatra Koprivnica--research and development, second stage; Vertex Moravsky Krumlov--heat plant; Chemical Zilina--modernization of the plant, second stage; Furniture Factory Pukanec; CHZ CSSP [Chemical Plants of Czechoslovak-Soviet Friendship] Saluzi, petrochemical unit No 2. None of these projects implemented the CSSR government resolution No 121/79 which instructed the investors (or suppliers), depending upon their respective culpability, to submit--as soon as it becomes clear that the planned deadlines cannot be met--material to the CSSR government with the request for extension of the deadline.

Construction Starts

Contrary to the plan, some construction starts were postponed. Due to the delay in design preparation and difficulties in signing the contracts with the suppliers, most of the construction starts were put off until the second half of the year. Contrary to the anticipations on signing DOV [expansion unknown] the construction starts were postponed and with reference to the mandatory deadlines set for completion of projects the originally specified deadline was advanced. This is the fundamental reason for subsequent non-compliance with the obligatory deadlines set for putting production capacities into experimental operation..

The postponement of construction starts to the second half of the year and particularly to the fourth quarter made it impossible to carry out construction work on the required scale. Although less than 10 percent of the total volume of construction work are required on some construction projects, started within DOV, during the first year of construction, even these minimum volumes were not met. On the contrary, the fulfillment of the annual volume was lowest precisely in the new construction starts.

The state plan provided for 48 construction starts in 1979. Only four projects were started in the first quarter, 14 in the second quarter, 15 in the third quarter and 11 in the fourth quarter (three were started ahead of schedule in 1978 and one will be started in 1980).

The fulfillment of the plan of construction work on some major projects started in the second half of 1979 is shown in Table 3.

Reasons for Nonfulfillment of Capital Investment Plan

The problem of delays in putting production capacities into experimental operation and in completion of construction projects is one of the most serious problems in capital investment. Apart from impairing effectiveness of the very process of capital investment, the noncompliance with the planned deadlines causes, contrary to the plan, losses running into millions of Kcs in production, export shipments, deliveries to the domestic market and so on.

For most capacities which are not put into experimental operation on schedule, work and deliveries are substantially below the planned volume and shipments of materials fall behind already during the initial years of construction. There are quite a few reasons which are eventually reflected in the implementation of the capital investment projects as construction unpreparedness, failure to deliver required equipment or to carry out assembly. Among them in particular are:

--lack of early and quality predesign and design preparation of construction projects. This is stated every year during the review of predesign and design documentation for construction projects whose start is proposed;

--neglect of the duty to sign first the contracts on deliveries to the mandatory projects. Many projects lack a properly documented agreement on construction work and delivery of equipment during the entire period of construction (contracts on preparation of deliveries). Moreover, the plan of organization of construction and initial design are not responsibly discussed;

--contrary to the flow charts [sítové grafy] and firm construction schedules [rezimy stavby], the signing of DOV frequently is just formal. The agreed upon volumes of work and deliveries are not linked to the mandatory deadlines specified in the state plan--to the deadlines set for experimental operation of production capacities and completion of construction projects. The volumes agreed upon within DOV show again discrepancies during the so-called second stage due to different reasons such as failure on the part of investors to honor their promises to supply blueprints or to clear the construction site; nondelivery of structural steel; capacity problems faced by the suppliers of construction work and technologies;

--shortcomings on the part of investors reflected primarily in the delayed delivery of blueprints and delayed clearing of construction sites;

--insufficient concentration of construction equipment to some mandatory construction projects; problems in the structure of construction capacities;

--lack of workers in specialized occupations (for example bricklayers, carpenters and so on). A problem also is the shortage of certain materials such as insulation, sheathing, windows, locksmith's products, but also of prefabricated panels. Furthermore, there are problems in management and work organization, including effective utilization of working time on construction projects;

shortcomings persist in complementary deliveries of machinery and the number of items in short supply increases. Particularly serious are the difficulties in deliveries of boilers, distributors, transformers, cranes, conveyors and conveyor belts, pneumatic equipment, communication cables, pumps, armatures, equipment for warehouses and so on. The items in short supply are actually manufactured by a few VHJ [economic production units] or enterprises such as ZPA [Equipment and Automation Plants] Prague, CKD [Ceskomoravska Kolben Danek] Dukla Prague, KSB [Kralovo Pole Engineering Plants] Brno, BRKG [expansion unknown] Brno, Transportsa Chrudim, Sigma Olomouc and others which are not able to supply all complementary parts for production plants. In this situation, a number of final suppliers of technology refuse to assume the function of the general contractor of technology for the mandatory construction projects;

--the tendency still prevails to fulfill the plan of work and deliveries in terms of volume regardless of construction progress. As a result, the materials fulfillment lags behind. This is reflected in noncompliance with the progress deadlines and failure to carry out activities decisive for putting production capacities into experimental operation in accordance with the deadlines specified in the state plan;

--flow charts and firm construction schedules have not yet become the tool of management and supervision of the optimum course of construction on all mandatory construction projects. The disputes between the construction participants are not solved at the proper time. Moreover, the disputes already settled (decided) at the lower levels of management frequently are reopened at the central organs of supplier ministries;

--discrepancies still persist between the investors' and supplier's records of work and deliveries and this is disturbing for both participants in construction. In addition, the fact-finding protocols are not reconciled with the statistical records;

--the basic problem and the principal reason for shortcomings in the preparation and realization of mandatory construction projects is to be seen in the insufficient observance and application of legal provisions, decrees and resolutions of the CSSR government and national governments which were issued or adopted in recent years.

Construction Management and Progress Deadlines

An important milestone in improving the methods of planned management of construction projects listed as mandatory tasks in the state plan was the decree No 157/76, jointly issued by the FMTIR [Federal Ministry of Technological and Investment Development], SPK [State Planning Commission] and State Arbitration which is based on flow charts as the modern tool of management of the construction process.

If we take into consideration last year's experiences, we must state that management according to flow charts and firm construction schedules has not yet reached the required level on all mandatory construction projects. The elaboration of construction schedules and the settlement of disputes is too slow. For example: while there were 163 mandatory construction projects supervised by the federal ministries, 56 projects (34 percent) did not yet have a usable construction schedule as late as 10 May 1979. This number decreased to 31 (19 percent) by 30 June 1979. The main reason for it were the fundamental disputes among the suppliers and the absence of mandatory deadlines for completion of construction projects and for putting production capacities into experimental operation. These problems must then be presented in the form of a report to the CSSR government presidium with the request for the extension of the original deadlines. In the discrepancy proceedings, the deadlines set for the settlement of disputes are not observed. More effective decisions often cannot be made because the essence of disputes and proposals for their settlement are not clear.

The progress deadlines were stipulated as the indicators of the economic plan for the first time for 1979 and this should be reflected in the better material fulfillment on the mandatory construction projects. Of the total number of 163 mandatory construction projects supervised by the federal ministries, 122 (75 percent) adopted the progress deadlines, while another 14 (9 percent) were still discussing the discrepancies between the progress deadlines by 30 September 1979. A worse situation is in the compliance with the progress deadlines adopted by the supplier ministries. Of the total number of 316 progress deadlines (on 113 construction projects) which were supposed to be met by 15 October 1979, only 124 (39 percent) were met and 65 (20 percent) were met with some delay.

This is the reason why the production capacities were not put into experimental operation in 1979. It is also an indication at the same time that the mandatory deadlines set for putting capacities into operation and completion of construction projects may be jeopardized also in the future. It will be therefore necessary to intensify checks on the compliance with the progress deadlines, promptly eliminate the present obstacles and eventually penalize the organizations and individual workers for the failure to comply with them.

Flow charts and firm construction schedules must secure the mandatory tasks of the state plan both as to the annual volumes of work and deliveries and deadlines set for putting capacities into experimental operation and completion of construction projects. To bring into agreement the mandatory tasks of the state plan and the construction schedules on the mandatory construction projects, a checkup is carried out jointly by FMTIR, SPK, investor and supplier ministries at the beginning of every year. It is based on the up-to-date flow charts and construction schedules which reflect the fulfillment during the previous year. The minor changes (delays, advance deliveries and so on) are included in the volume of work and deliveries during the current year--in accordance with the organizational provisions of the state plan on minor indisputable adjustments of the planned volumes of work and deliveries on individual mandatory construction projects.

This measure makes it possible for the investors and suppliers to carry out, with mutual consent, minor changes in the plan which are then recorded as the economic plan provided that the mandatory deadlines for putting capacities into operation and completion of construction projects are not jeopardized, and that the planned volumes of work and deliveries on the mandatory construction projects are met for the entire VHJ. This means that the plan must be surpassed on other mandatory construction projects. These minor adjustments must be supported by the mutually agreed upon construction schedules which must help implement the state plan on the mandatory construction projects.

If we take as the basis the checkup carried out at the end of February 1979, we can state that the investor and supplier ministries make little use of the possibility of reaching agreement on minor changes during the review aimed at the reconciliation of construction schedules with the state plan. In the course of the year, however, they demand changes in the state plan frequently even in those instances, when the changes could have been made during the review at the beginning of the year. As pointed out above, one of the main problems is the slow settlement of disputes between the investors and suppliers and the resulting inability of reaching agreement on minor changes within the required deadline, that is by the end of the first quarter.

According to the review carried out in February 1979, of the total number of 214 construction schedules submitted there were discrepancies on 100 construction projects between the construction schedules and state plan in regard to the volumes of work and deliveries. In 44 instances, the construction schedules did not include the mandatory deadlines for putting capacities into experimental operation and completion of construction projects. At the time of the review, no provision was yet made on 105 projects for management on the basis of flow chart and firm construction schedules.

It must be emphasized that the problem at the present time lies neither in the number of projects designated as the mandatory tasks of the state plan (260 in 1980 and approximately 300 for the Seventh Five-Year Plan) nor in the relative volume of work and deliveries on the mandatory construction projects which amounts to approximately 45-50 percent of the total volume of work and deliveries on the construction projects with the budget costs exceeding Kcs 2 million. Although the standardized periods of construction on mandatory projects would call for the higher annual volumes particularly of construction work, these requirements are ignored in the supplier-customer negotiations. The investors approve DOV also in regard to smaller volumes than required by the construction schedules simply in order to settle the disputes. This frequently happens to the detriment of material fulfillment and compliance with the deadlines.

The report submitted to the 14th plenary session of the CPCZ Central Committee states that "it is necessary to speed up construction progress on the socially important projects, to save funds and not to disperse capacities on other construction projects. By directing capacities to the completion

of capital investments to reduce the amount of funds tied in the unfinished projects. By putting to use capital investment projects more rapidly to contribute to the commensurate production increase."

By referring to some shortcomings in the fulfillment of capital investment plan on the mandatory construction projects such as uneven fulfillment during the year, delays in the material fulfillment and so on, I wanted to point out the reserves whose mobilization can contribute to the better implementation of the principal task of capital investment, that is to putting capacities into experimental operation and completion of projects within the deadlines specified by the state plan.

To achieve this goal it will be necessary in particular:

--to control more effectively the entire cycle of planning, preparation and realization of capital investment projects with special emphasis on the projects designated as the mandatory tasks of the state plan;

--to implement more consistently the resolutions on the maximum concentration of capacities, materials and products in the mandatory construction projects and particularly to complete more rapidly the production capacities within the deadlines specified by the state plan;

--in checks on the fulfillment of planned volumes of work and deliveries, to pay primary attention to the material fulfillment by checking the progress deadlines and deadlines set for putting capacities into experimental operation;

--to create conditions without delay for full application of construction schedules in management of and checks on the realization of construction projects. The proceedings on disputes among the central organs should be revised in order to adhere to the deadlines set for settlement of disputes by the decree No 157/78 (CSSR government resolution No 23/79);

--to fulfill the organizational tasks for implementation of the 1980 state plan in regard to capital investment projects and particularly to negotiate the necessary increase in the volume of work and deliveries in 1980 for individual mandatory construction projects in order to meet the deadlines for putting capacities into experimental operation according to the state plan;

--to bring up-to-date the flow charts and construction schedules as of 15 February 1979 and to submit them to FMTIR (CSR and SSR ministries of development and technology) in order to bring into agreement the construction schedules with the 1980 state plan. At the same time, to prepare the publication of progress deadlines for 1980 insofar they were not published during 1979;

--to gradually enlarge the scope of planned management of material relations particularly in the elaboration of total balances of construction work, machinery and equipment, and individual items (structural steel structures, cranes, machine tools and so on);

--to increase effectiveness of higher remuneration on the mandatory construction projects and particularly of preferential wages which should contribute to the stabilization of labor force on selected mandatory construction projects, and of special target bonuses which are paid in order to achieve the required material fulfillment within the deadlines specified by the construction schedules.

A smoother and more effective fulfillment of the capital investment plan will be made possible also by the implementation of an entire complex of measures on planned management of the reproduction of basic assets which were adopted by the CSSR government resolution No 23/79.

10510
CSO: 2400

CZECHOSLOVAKIA

INDIFFERENCE TO CORRUPTION DECRIED

Prague LIDOVÁ DEMOKRACIE in Czech 12 Mar 80 p 3

[Article by MAT: "What We Are Paying for Indifference"]

[Text] We would have no trouble finding anecdotes about moonlighters, bribery or the theft of socialist property. Our smiles, however, would congeal when we learned how deeply economic crime is thrusting into our collective pocket. The most frequent crime against socially-owned property is theft. For example, in 1978 alone 17,250 persons were punished in the Czech lands and in Moravia, accounting for 75 percent of economic crimes. Thieves made off with goods valued at Kcs 85 million out of the communal slice of bread. The sector of state and cooperative trade and industry paid the most dearly for their "work." Just as in previous years, now too the most frequently punished cases of theft caused by wage, administrative and other types of machinations. As an example, the head of the accounting department of the local administration of educational and cultural facilities of the Brno City National Committee appropriated over one-and-a-half million korunas over the course of several years by combining the functions of bookkeeper and treasurer, something that is in principle not allowed by regulations. Such crimes are difficult to detect, so the figures representing harm uncovered by the security organs are only a small fraction of the total losses resulting from theft. "Vermin" attack socially-owned property from two directions. One is from the inside, where is is a matter of persons who are directly or indirectly involved with handling the common property, the other is from the outside, for example, by burglary. "Outside" criminals represent more than two-thirds of those who commit economic crimes, but employees cause greater harm as far as value is concerned, for example in industry, in construction, in agriculture and in communal services this amounts to twice as much as that caused by outside malefactors not employed by the enterprise. The twelve-month analyses made by the Prosecutor General's office indicate there remains a significant reserve of criminal acts to be uncovered and punished. It is most commonly organs active in disciplinary activity that discover thieves, or on occasion people's control committees or financial organs, while enterprise and department control do not conduct a systematic and coordinated battle against infringements of the law and other legal provisions. What is also startling is that in some cases they participate reluctantly in investigations and hesitate to publicize crimes uncovered

in the course of an audit, despite the fact that they have been made legally responsible for discussing deficits with the prosecutor's office or with Security without delay. What would contribute to improving the situation most would be the responsible selection of workers for the control organs of socialist organizations and their closer cooperation with the prosecutor's office and Security. Trade-union members, members of the Socialist Youth League and brigades of socialist labor should also cooperate in the fight against economic crimes even more effectively. And not only they, but each of us. After all, nobody walks around a workshop, a construction site, an office or a store with his eyes closed. Indifference is costing us millions.

8805
CSO: 2400

CZECHOSLOVAKIA

INNOVATION, MODERNIZATION OF CONSUMER PRODUCTS URGED

Prague LIDOVÁ DEMOKRACIE in Czech 12 Mar 80 p 3

[Article by JFK: "Too Many 'Tried-and-True' Products"]

[Text] If you have the impression that you are always seeing the same products in store displays, particularly in stores selling household appliances, then the impression is completely correct. This was also confirmed at a press conference at the CSR Ministry of Trade yesterday where innovation was discussed, or rather, dissatisfaction with progress being made in this area was. Even though this was an informal conversation and not official, since the duty director of the ministry's department of trade, Vl. Rozek, could offer no information on the results of discussions with producers (these are currently under way), nevertheless there was something to be learned.

The most important fact has already been mentioned: the intentions of trade, which were also supported by government resolution 241 of 1978, have proved possible to fulfill only to a very limited extent in the course of the Sixth Five-Year Plan. Thus for engineering-industry goods [household appliances] we can really only count the introduction of thin-walled refrigerators, more powerful vacuum cleaners, new types of gas ranges and [photographic] enlargers, and a certain degree of modernization in television sets and radio receivers. Other hoped-for items--self-defrosting refrigerators, hot-water heaters with regulating elements, automatic washers with dryers, dishwashers and others--all remained at the planning stage.

It is not only the engineering industry that is not able to cope with varying the selection of goods as all of us consumers would like: we see the same thing in textiles and footwear as we do in furniture, in short, in all types of goods. It was perhaps the food industry that has produced the greatest innovation in recent years, but this industry too has its own particular problems, chiefly that it is unable rapidly to increase the output of desirable, attractive innovations [enough] to satisfy the demand for them.

In addition to information on thus-far not completely satisfactory results, the reporters also had an opportunity to become acquainted with plans for the Seventh Five-Year Plan. The Ministry of Trade has prepared extensive material containing hundreds of items in all branches of production, and at the present time is conferring with producers and intends to continue "stepping on their toes." The slow rate of innovation has a number of causes, but one of the most important is laziness. And we have to put an end to this, happen what may, because it is harming us the consumers, but ultimately it is harming our entire economy. After all, technologically outdated merchandise that gathers dust on the shelves is as unsaleable at home as it is abroad.

8805
CSO: 2400

CZECHOSLOVAKIA

TRANSIT GAS PIPELINE STATUS VIEWED

Prague TECHNICKY TYDENNIK in Czech 4 Mar 80 p 2

[Article, no author given: "Gas to Seven Countries"]

[Text] The transit gas pipeline, a construction project that turned into an idea, has met the fate of all large new construction projects in the press: a storm of publicity was followed by a period of calm, and now it receives less attention than it deserves.

Which is to say, further kilometers of pipeline are being constructed, and the system's capacity is growing with every year. A third line, known as the Consortium gas line, is being built, and individual completed sections are being connected up and immediately put into operation.

The transit system in the CSSR at present has 2,645 kilometers of pipeline of 700-mm to 1400-mm nominal inside diameter and 10 compressor stations with a total output of 402 MW. For the first time in the construction of the transit gas line automatic control components were installed in four stations of the southern branch, the PPC four multiprocess control system, a type of minicomputer.

It is not only pipelines and compressor stations that make up the transit network, of course. For example, the communication and control system alone has to date the following parameters: 1220 kilometers of communications cable, 8 amplifying stations with continuous attendance, 51 unmanned amplifying stations, 7 automatic telephone exchanges, 67 complex remote control and centralized control systems with two control computers.

Czechoslovakia transmits Soviet natural gas to seven countries, (Austria, the GDR, the DFR, Italy, France and Yugoslavia) and to the national gas pipeline system of the CSSR.

The expansion of the main gas pipelines is also evident from their [increased] capacity. While it took 6.5 years to transmit the first 100 billion cubic meters of gas, with a calorific value equal to that of approximately

140 million tons of high-grade bituminous coal, it took less than three years to transmit the second 100 billion, and after 1984 that much will flow every 24 hours.

During the six years they have been in existence, the turbo-sets at the transit gas pipeline compressor stations have been in operation a total of almost one million hours. Considering this fact, and in order to insure the station's uninterrupted operation, thorough analyses of occurrences that have been observed in the course of operation are being carried out. It is necessary that some of these also be investigated from the stand-point of providing basic data to the designer of future projects.

For this reason several types of tests have been made at the compressor stations. One such test was carried out by the Vitkovic Institute for Applied Mechanics of the Klement Gottwald iron and engineering works at the Military Academy of Technology in Brno. What led to this? Under some operating condition at the stations, collectors and spherical valves began to vibrate. The intensity of vibration is sometimes considerable, so that there is a danger of breaks occurring in the spherical valves. Thus it was necessary to test the piping and to determine whether the stress was affecting its strength. The measurements were taken at collectors in specific locations where the stress was predicted to the greatest. At these places resistance strain guages and an accelerometer were installed. The measuring system consisted of two calibrating amplifiers, an active filter, a power amplifier, a calibrating tape recorder and a moving-coil oscilloscope.

It was only with the help of this unique set-up that it was possible to find the answers. The values measured showed that the higher stress resulting from severe vibration does not affect the life of the piping.

Other extensive tests were made by workers of the Research Institute of the Power Engineering Plants in Brno at compressor station number 1 in Velke Kapusany. Their purpose was to measure the loss of pressure in sections of the pipeline at the station and to establish the precise compression ratio for an individual unit and for the entire compressor station.

Pressure converters were calibrated with calibrating instruments with a precision range of 0.05 percent. The precision of pressure measurement varies in the range of +2 kPa to 100 kPa. The measurements were made twice, [once] in May 1978 and [again] in August 1979. The first were taken at an intake pressure of 4 MPa, the second at a pressure of 5 MPa.

The results of the tests will serve to check the transmittal power of the station and as a basis for designing future construction. It is worth mentioning that these pressure measurements made it possible to resolve a complicated transmittal situation which arose when the intake structures at one of the stations of the transit gas pipeline began to vibrate.

Photo Caption

Photos introduce us to one of the ten compressor stations of the transit gas pipeline, in Kradice, Moravia. Five of the turbosets of 6 megawatts each are in operation there and it is gratifying to learn that interest in using the waste heat is [illegible]. For example, it can be used for various agricultural purposes. The necessary studies have already been made and now it is a matter of the optimal implementation of a good idea.

8805

CSO: 2400

CZECHOSLOVAKIA

BRIEFS

SOVIET CROP DUSTERS--According to Aurel Cipak, director of the Brno branch of Slovair, production of agricultural airplanes within CEMA has been concentrated in Poland. Polish designers have so far developed the PZL-10 airplane, scheduled for production in 1982. In order to cover increasing agricultural demands, Slovair has purchased 36 AN-2 airplanes in the USSR, of which 12 will be delivered to its Brno branch already in 1980. Meanwhile Slovair in Brno has been complemented with eight Aeroflot AN-2's. The Soviet air crews will help Slovair in crop dusting operations until 20 June 1980. [Prague ZEMEDELSKE NOVINY in Czech 22 Mar 80 p 1]

CSO: 2400

GERMAN DEMOCRATIC REPUBLIC

STATE PLANNING COMMISSION SECRETARY DISCUSSES 1980 ECONOMIC PLAN

East Berlin PRESSE-INFORMATIONEN in German No 20, 15 Feb 80 pp 2-3

[Interview with Heinz Klopfer, member, Council of Ministers; state secretary, State Planning Commission, date and place not given: "1980 Plan Oriented Toward Increased Effectiveness"]

[Text] [Question] What are the characteristics of the 1980 economic plan?

[Answer] Briefly this: The comprehensive and more effective utilization of the scientific-technological and intellectual potential produced in past years. Of course for some years now we have focused on improving the efficiency and quality of work. Now, though, we need a much greater speed in the development of the qualitative growth factors. This was the tenor of the instructions given by the Eleventh SED Central Committee Plenum and Erich Honecker's speech to the first secretaries of kreis leadership organizations. The total expansion of production, the further growth of efficiency--these are to be achieved mainly by factors designed to reduce costs.

Some data may serve to exemplify this: 90 percent of the improvement in productivity will derive from the application of science and technology; in 1975 the percentage was only 55. We expect more top performances which, based on precise world standard comparisons, meet the greatest demand. Rationalization is to free 19,000-20,000 workers for economically important tasks within enterprises and combines. Let us also consider material management. The 4.7 percent rise in industrial goods production must be achieved with a very small increase in the use of raw materials and other materials. Envisaged is a reduction in the specific consumption of energy, raw materials and other materials by 4.5-4.7 percent; in 1979 consumption declined by 4 percent.

[Question] You mentioned the contribution of science and technology. What, in particular, is to increase this contribution?

[Answer] The state plan science and technology directs toward the introduction into production of new and further developed technologies and processes which help set advanced international standards as well as facilitate savings

in labor time, energy, materials and imports. These include microelectronics, material saving processes in machine construction, effective processes for the recovery and reuse of secondary raw materials, the greater refinement of chemical and metallurgical products and new technologies in the component supply industry and consumer goods production. Major reserves of efficiency must be developed especially with the help of the enterprise plans science and technology.

We will thereby achieve the necessary improvement in productivity, the required growth of the national income and distributable final product. Involved here is the greater economic efficacy of research and development results.

[Question] New technologies, the rapid transfer of scientific-technological results--does this not also call for greater investment?

[Answer] The key is the economical use of investments. We are confronted with a shift in effectiveness. In the first place we must provide back-up for the measures of science and technology. In 1976-1979 some 70 percent of investments served the expansion of the basic asset stock and only 30 percent the replacement of discarded basic assets. These proportions must be reversed in order to raise the share of rationalization investments.

[Question] Even greater expectations repose in rationalization. Could you explain that in greater detail?

[Answer] We intend to achieve a genuine surge forward in rationalization. Involved here are such comprehensive economic measures as the development and application of microelectronics, control and automation technology, computer technology and the rationalization of administrative work, together with the efforts of combines and enterprises to modernize their production base. The in-house manufacture of industry-specific rationalization aids is to grow at the fastest rate possible.

I already mentioned the aim of freeing manpower. Auxiliary and ancillary processes in production, for example, offer a wide field. Six of 10 production workers are still not operating machines and equipment. The in-house manufacture of rationalization aids, in particular, may well provide the prerequisites for freeing manpower so as to achieve the greater time-wise utilization of highly productive machines and equipment. In this field we still need to make up arrears. The reserves of effectiveness still available are demonstrated in the fact that the capacity utilization of modern highly productive equipment in combines and enterprises still varies sharply; it ranges from 12-20 hours per calendar day.

[Question] Improvements in efficiency seem largely to require pressure on costs.

[Answer] That is quite true. The results of scientific-technological work, basic asset and material management are effective for the overall

only if reflected in declining costs. Costs are more and more turning out to be the criterion for the contribution rendered by various enterprises and combines to the growth and efficiency of our economy.

If in our centrally controlled industries, for example, we succeed in lowering prime costs by only 1 pfennig per mark of goods production, we would show an annual profit of more than M2.5 billion, that is growth in the national income. This profit might be used to further strengthen our material-technical base and carry out our sociopolitical program.

The lion's share in the designated cost reduction is to be met by lower production consumption. This means that we must concentrate all our efforts on energy and material management in order with the planned energy sources, raw materials and other materials--or even better with less than the quantities planned--to achieve the planned production.

The initiatives for greater efficiency are clearly reflected in the obligations entered into by many collectives with the funds available to achieve a daily output in excess of the plan.

11698
CSO: 2300

GERMAN DEMOCRATIC REPUBLIC

PROMOTION OF COMMISSION, PRIVATE RETAIL TRADE REVIEWED

West German Commentary

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 6 Mar 80 p 5

[Article signed 'Ws,' datelined Berlin, 5 March: "Retailers and Restaurateurs Help To Ensure Supply: Private Initiative Promoted in GDR--More Business Permits Issued." A translation of the East Berlin PRESSE-INFORMATIONEN interview with Manfred Merkel, GDR deputy minister for trade and supply, follows this commentary]

[Text] Since 1976 commission traders, private retailers and restaurateurs have been specially encouraged in the GDR in order to safeguard the supply of the public. Commission traders are businessmen who carry on transactions as independent legal entities, using their own name, but do so on behalf of the socialist trading enterprises which remunerate the operations of the retail trader or restaurateur by a commission and pay some of the operating costs. Deputy Minister for Trade and Supply Merkel lately informed the PRESSE-INFORMATIONEN of the GDR Council of Ministers that there were now 17,100 commission traders and 8,700 private retail traders and restaurateurs in the GDR. Last year they recorded a turnover of M8.1 billion. Compared to the previous year they raised their supply services by 3 percent per trader. Private traders and restaurateurs as well as commission traders are almost indispensable in residential areas, nearby recreation centers and rural areas.

Up to 1975 the GDR recorded a severe decline in private retail businesses and restaurants. More and more traders and restaurateurs ceased business. In view of the SED's greater emphasis on socialization since 1971 they saw few opportunities for profitably continuing their operations. Very few new trading permits were issued. In 1976, though, the party came to appreciate that small traders and restaurateurs are pretty much indispensable and shifted toward the encouragement of this trading sector. According to the report by the deputy minister for trade and supply, 5,900 business permits have been issued since 1976, to either continue or establish businesses, especially restaurants. About half these permits were granted for restaurants, ice cream parlors and coffee shops. In the meantime the 7,900

commission and 2,500 private restaurants have achieved a 40 percent share in the total of GDR restaurants.

In the issue of business permits the greatest consideration was given fruit and vegetable traders, drug stores and hardware stores (in addition to restaurants). Bottlenecks had been particularly irksome in these sectors which are important for supplies. The state also encourages the modernization of stores. Since 1976--so says deputy minister Merkel--every second commission and private retail trader or restaurateur has modernized his store or restaurant. Maintenance work in the amount of M150 million has been carried out; basic asset loans were required for M40 million's worth of this work. Commercial equipment to the value of about M25 million has been made available. Merkel asserted that "the wholesale trade supplies commission and private retail traders on the same basis as the socialist retail trade." That, he said, was perfectly correct because, "in accordance with the supply task" they do the same work as the facilities of the state trade (HO) and consumption. "We devote full attention to the observance of this principle."

Deputy Trade Minister Interviewed

East Berlin PRESSE-INFORMATIONEN in German No 27, 4 Mar 80 pp 2-3

[Interview with Manfred Merkel, deputy minister for trade and supply; date and place not given: "Commission and Private Retail Trade Are Being Promoted"]

[Text] [Question] What is the share of commission traders, private retailers and restaurateurs in the supply of the public?

[Answer] The 17,100 commission and 8,700 private retail traders and restaurateurs hold a major share of the generally favorable 1979 balance in the supply sector. Especially in residential areas, nearby recreation centers and rural areas their contribution is considerable. Encouraged by the Council of Ministers decision of February 1976 commission and private retail traders developed many initiatives. They handle specific supply tasks, especially in the vacation season, at harvest time, in the sale of vegetables and fruit as well as on festive social occasions.

In 1979 commission and private retail traders achieved a turnover of M8.1 billion. Their services thus rose by 3 percent per trader compared to the previous year.

It is one of the most significant results of the implementation of the 1976 decision on promotion that it was possible to halt the serious decline in the number of stores and restaurants, which was recorded until 1975, due to aging. Since 1976 5,900 business permits have been granted for the continued operation or new establishment of stores and, in particular, restaurants. Nearly half the permits granted applied to restaurants, ice cream parlors and coffee shops. Currently the 7,900 commission and 2,500 private restaurants account for 40 percent of the total of GDR restaurants.

In issuing business permits we took into account the orientation provided by the decision: To maintain especially the capacities in branches important for supply--such as restaurants, fruit and vegetable stores, hardware and drug stores. Financial assistance helped develop substantial service reserves.

[Question] What help is given commission and private retail traders as well as restaurateurs for modernizing their facilities?

[Answer] In view of their secure prospects commission and private retail traders have undertaken many actions to maintain and modernize stores and restaurants. Every second one has modernized his store or restaurant since the 1976 decision took effect. Maintenance measures were adopted to the tune of M150 million. For this purpose M40 million basic asset loans were obtained. Commercial equipment to the value of about M25 million was made available.

The most obvious results of the implementation of modernization and maintenance measures in commission and private retail trade are achieved in comprehensive reconstruction. The planned availability of trading equipment does a great deal to help the modernization of stores and restaurants. In general, though, the capacity of sales facilities must be even more effectively improved by steady rationalization, so that they may achieve the average standard of socialist retail trade.

[Question] How can the different demands of the wholesale trade and the small sales outlets typical for private trade be reconciled in the matter of goods supplied?

[Answer] The different demands on supplies for small sales outlets are not a special problem of the commission and private retail trade; they apply generally to retail trade. However, small and medium sales outlets handle the lion's share of supply services. The wholesale trade must accommodate itself to this fact, and consequently special supply terms are agreed.

The wholesale trade supplies commission and private retail traders exactly like the socialist retail trade. That is only proper because--in accordance with their supply tasks--they render the same service in the region as the facilities of state trade (HO) and consumption. Our full attention is devoted to the observance of this principle.

Problems sometimes arise for the smaller sales outlets because the packs used for some assortments do not agree with the quantities ordered. As a rule such packs are opened by the wholesaler and small quantities made available to the retail outlets. Should this principle be disregarded, commission and private retail traders together with the socialist retail trade enterprises must press for the implementation of the appropriate provisions in their agreements with the wholesale trade.

In general we may claim that the development and measures adopted for the continuing greater involvement of commission and private retail traders in the daily tasks of trade reflects the importance assigned to the commission and private retail trade by the party of the working class and the government. In recent years confident cooperation has blossomed; it will be strengthened and further developed by new and effective methods.

11698
CSO: 2300

GERMAN DEMOCRATIC REPUBLIC

GENERAL INFORMATION FURNISHED ON COMBINES

Dresden SAECHSISCHE ZEITUNG in German 8 Feb 80 p 6

[Article by Joerg Marschner in answer to question from reader Peter Saupe, 8019 Dresden: "How Many Combines Do We Really Have?"]

[Text] [Question] How many combines do we really have now in the GDR? And how does that mean that a new force is created? After all, the plants are the same as before.

[Answer] To your questions, dear Mr Saupe, first some sober answers: since the beginning of the year, 129 combines have been operating in the GDR, being directly subordinated to the respective ministry. The largest one is Robotron, with some 70,000 employees. Usually, a combine includes 20 to 40 plants, the usual number of workers of the combines being 20,000 to 40,000. The 129 combines, with more than 2.4 million workers, produce about 90 percent of the industrial products of our country.

The combines also represent a high degree of concentration in the field of research and development. Currently, 113,400 scientists are employed in the combines, approximately 90 percent of the total in the industry. Of course, dear Mr Saupe, you are right in saying that the plants are the same as before. Where does the increase in potential come from? What is included in the oft-cited combine effects that we are attempting to achieve with this economic organization?

The combines include similar, or at least closely related, products. They are responsible for them from research to marketing, in part even including foreign trade (as evidenced by their own foreign trade organs).

For the first time the opportunity exists to pursue development according to the market requirements on hand of a unified scientific-technological strategy. Let us examine this in light of the Robotron example: this combine represents the complex offices of the GDR in the field of electronic calculation, in office and data processing technologies. All three fields of production are being increasingly penetrated by microelectronics; the combine clears the path for that with its concentrated research capacity.

Concentration and specialization within the combine, as well as combination within the combine, prevent waste and duplication. Since the combines also have direct supply channels for certain lines of products, another effective organization--especially important for the transfer of new research results--has been created. Another advantage utilized by Robotron is the use of thorough standardization of similar parts and components, a prerequisite for the application of the most modern technology.

Many combines already have their own enterprises for production of means of rationalization, or are in the process of developing them. (This does not reduce the responsibility of the individual enterprises regarding development of their own means of rationalization). This is the only way to produce the most modern means of rationalization (such as industrial robots) that free large numbers of workers in the required numbers and in an efficient manner. Usually, this would exceed the capacities of a single plant by a wide margin.

There are many other ways to increase production within the framework of the combines. There is, to be sure, one fact, dear Mr Saupe: A formation of a combine will not cause automatic production. There are still considerable differences in the utilization of the true potentialities of the combines; only one-quarter of the combines can claim that they have almost totally exhausted the existing opportunities; there is thus still much to be done.

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CSO: 2300

GERMAN DEMOCRATIC REPUBLIC

ENERGY SUPPLY PROSPECTS FOR CHEMICAL INDUSTRY EXAMINED

Leipzig CHEMISCHE TECHNIK in German Vol 32 No 2, Feb 80 signed to press
13 Nov 79 pp 61-64

[Article by Dr Herbert Richter, member, GDR Chamber of Technology and general director, VEB Gas Combine Schwarze Pumpe, and Dieter Kalkreuth, member, GDR Chamber of Technology: "Role and Importance of the Raw Material Brown Coal for the Development of Energy Management and the Chemical Industry; Experiences and Perspectives of Coal Refinement"]

[Text] Lecture on the occasion of the Merseburg Days of Technology at the Carl Schorlemmer Advanced Technical School, Leuna-Merseburg, 26-28 September 1979.

The further development of the GDR's energy base will continue to be largely a matter of the utilization of our own fuel resources. In the GDR's primary energy balance crude brown coal will remain the most important source of energy for a long time to come.

In world energy management also we see emerging the development of greater use of solid fuels. World stocks of oil and natural gas are declining. It is generally assumed that, by 2000, the decline in gaseous and liquid energy sources will become more and more pronounced. Coal deposits are extensive all over the world, and this material is therefore gaining in importance.

The trend consequently indicates:

1. That we should as far as possible postpone the decline in the production of natural gas and oil by a more intensive search for new deposits,
2. Make the proper preparations for the economical mining and processing of hard and brown coals in increased dimensions, and
3. Continue by means of science and technology to speed the utilization of nuclear energy for electric energy production in direction nuclear fusion, so that by 2000 at the latest we may be able to achieve a substantial part of the growth of electric energy by means of nuclear energy.

According to current estimates maximum coal output will not be achieved until 2150. At the present time the equivalent of a little more than 5 billion tons of hard coal units per annum are mined; in 2150 this volume may achieve about 23 billion tons of hard coal units; in other words coal production might quintuple. This development of energy production is definitely encouraged by the rise in the prices of liquid and gaseous energy sources.

Brown Coal--The Basic Energy Source for the GDR Economy

GDR energy management has only one possible approach: To increase brown coal output. At the present time more than 250 million tons are being mined every year, about 30 percent of world production. This volume must be maintained and even expanded in order to meet energy needs.

The opening up of new strip mines to cover the demand for brown coal involves constantly more complex geological conditions.

In the coming 10 years the ratio of coal to overburden will go from 1:3.5 to 1:7. At the same time the quality of coal will deteriorate because mining must shift to deeper and broken seams. The GDR's total brown coal deposits amount to about 47 billion tons. Some 50 percent may be mined with the use of technologies now in use. In the GDR 60 percent of the more than 250 million tons of raw brown coal per annum are used for electricity generation, 40 percent for processing into briquettes; 27 percent of this briquette output, that is 11 million tons, are further processed into gas, coke and carbochemical products.

Raw brown coal is the GDR's only raw material source. Yet even this is limited. It must therefore be our endeavor more efficiently to utilize this carbon reservoir. While the efficiency of thermal power plants ranges from 30-35 percent, modern refinery facilities operate with an efficiency of 60-70 percent.

The role of brown coal in our economy is made obvious in the primary energy balance. Our energy needs are met

- by raw brown coal to 93 percent
- by natural gas to 4.5 percent
- by nuclear energy to 2.4 percent, and
- by water power to 0.1 percent.

In the coming decades also, well beyond 2000, this basic trend will continue to predominate. That is why we must ask ourselves whether everything possible has been done to use the most important energy source--crude brown coal--so efficiently as to ensure the long-term and effective supply of our economy with the volume of crude brown coal available in the GDR.

The VEB Gas Combine Schwarze Pumpe--A Combine for Gas and Coke Production

The GDR coal and energy management is preoccupied with the long-term rise in output and the improvement in the efficiency of refinement. The VEB Combine Schwarze Pumpe was established 10 years ago and mainly serves to achieve greater efficiency in coal refinement. The combination of the scientific-technological staffs of the Freiberg Fuel Institute, the planners and plant designers of the VEB PKM [planning, design and assembly office] and VEB Grid Gas Line Construction with the production plants of the parent enterprise, the hard coal industry and gas storage management provides the proper conditions for an economic unit oriented to scientific-technological work and carrying full responsibility for the refinement of brown coal and even of hard coal.

The responsibility of the gas combine is exemplified in the percentage of its output of energy sources in total GDR production. Produced here at the present time are

- 75 percent of locally produced gas
- 65 percent of hard coal coke
- 55 percent of BHT [brown coal high temperature coke], and
- 20 percent of briquettes.

The VEB Gas Combine Schwarze Pumpe is the contractual partner for the importation of natural gas from the Soviet Union. It was the main contractor for the construction of the GDR section of the Soyuz natural gas pipeline. It has full responsibility for the production and use of domestic natural gas from the Salzwedel deposits.

In the past 30 years the GDR's gas industry has become an efficient and technically up-to-date industry. Used were advanced procedures for gas and coke production as well as gas storage, fully corresponding to the latest technical achievements, and the plants are automated to about 50 percent. As a result the productivity of the gas industry just about quintupled within these 30 years.

For years the scientific-technological efforts in the VEB Gas Combine Schwarze Pumpe have concentrated on further raising the efficiency of the processes involved in local gas production, the manufacture of brown coal high temperature coke, hard coal coking and the processing of by-products. In all this care was taken to remember the carbochemical significance of the by-products, in addition to the energetic significance of locally produced gas and coke production. It was taken for granted that the carbochemical processing of coal and the manufacture of synthesized gas from brown coal represent a vital base for the further development of the chemical industry. For years nobody has had the slightest doubt that such products as phenols and creosotes as well as heating oils low in sulfur, derived from brown coal refinement, are crucial for the economy. By now everyone is bound to realize that, given the current trends in the oil and natural gas sectors, brown coal will be the chief raw material for the chemical industry in the not too distant future.

For years research, planning and plant construction in our combine have been directed toward coal refinement. We are working on the further development of existing processes as well as on new developments. Our efforts are oriented to the following tasks:

Brown Coal Gasification

In the spirit of the SED resolutions the production of city gas by the gasification of domestic brown coal continues to dominate technology. In the years through 2000 solid bed pressure gasification in the parent plant of the gas combine will continue the vital link in the chain. Our target here is to raise the capacity of the 24 3.6-m generators (type PKM) to about 140 percent of present capacity by 1985. Delegated for the purpose of accomplishing this task are important research capacities of the parent plant and the Freiberg Fuel Institute as well as other cooperation partners (such as the Freiberg Mining Academy and the Academy of Sciences).

In the early years of the GDR the pressure gas works in Boehlen and Hirschfelde functioned as the main producers of city gas from brown coal; from 1952 the burden was increasingly shouldered by the new Lauchhammer brown coal coking plant. In 1964 the gas production plant Schwarze Pumpe began operations and steadily increased its output, thus becoming the outstanding city gas producer in our republic. Some 75-80 percent of the 25-30 million cubic meters per day of city gas now needed in the GDR during the winter months are supplied by the VEB Gas Combine Schwarze Pumpe, and about a third of that volume from the coal solid bed pressure gasification plant. After a phase of construction and stabilization KDV [coal pressure gasification] has been a stable and efficient partner of the economy since the early 1970's. At an output of 4.3-4.7 million cubic meters per day it dominates the city gas system.

In addition to the stability of processes and plants now achieved, the output situation is characterized by notable production flexibility which arises by virtue of the fact that producer units of KDV, EHT coking and the autothermal fission of imported natural gas and the plants own coal tar oils are available. In conjunction with an efficient gas mixing plant they turn out 13-15 million cubic meters per day.

As to the intensification of KDV output, it is imperative substantially to raise the time-wise utilization of the systems by adopting measures for organizing maintenance, ensuring the quality of repairs and using the best possible materials. Another aim is to decisively lower the persistently high incidence of dust which is carried by the crude gas to the gas conducting systems. This will settle problems of utilization from the aspect of time and efficiency. By improving the efficiency of solid bed pressure gasification we will also succeed in substantially raising the output of carbochemical raw materials such as crude phenol, low-sulfur heating oil, light oil rich in aromatics, and sulfur. By raising efficiency the production of liquids by virtue of coal refinement will increase as follows:

- For aromatic light oil from 40,000 tons to 70,000 tons,
- For phenolic light oil from 50,000 tons to 85,000 tons,
- For phenosolvan extract from 20,000 tons to 30,000 tons, and
- For BHt tar from 100,000 tons to 160,000 tons.

Brown Coal Coking

The second refinement process subject to a great deal of attention is brown coal high temperature coking. Steady care, design changes and the ongoing adoption of scientific-technological results culminated in success in 1977: A proven overall 150 percent rise in efficiency. Now we are engaged in the scientific-technological preparations for the second reconstruction cycle of the furnace units. The aim is gradually to raise capacity to 170 percent.

This target represents a logical advance from the development which began immediately after the first furnace units were taken into service 10 years ago. Initially we focused on the stabilization of the technologies (some of which were untested), but later we were able in this phase to acquire comprehensive knowledge on exceeding the projected parameters, and this knowledge was purposefully utilized. Only 806,000 tons of coke were produced in 1973; in 1979 more than 1.260 million tons are being made available to our economy.

Moreover, after reconstruction each furnace unit is producing in very much better conditions. Not only is capacity raised, it is also possible to dispense with 5 workers per furnace and save M500,000 in prime costs. At the same time working conditions are much better, and the specific consumption of undergrate firing gas and electric energy is lowered. This level of development already determines world standards in this field.

Though, at 80.3 percent, the energetic effect of the process may be considered satisfactory, various efforts are aimed at achieving further improvements. A coordinated research program of various institutes has been set up to solve all outstanding questions; it is therefore not too much to expect that the capacity of a furnace unit may be raised to 175 percent by comparison to the parameters planned for the coming years.

Another factor important in reconstruction is the improvement in the operational life of furnace units. Up to now 8 years were planned as the cruising time of a furnace unit. In July 1980 furnace unit No 3 will be taken out of service, having been the first furnace unit in the coking plant to exceed the standard running time of 8 years.

The results achieved did not happen by chance. Intensive research and development efforts, close cooperation with the construction enterprises and, above all, the use of Soviet experiences are the cornerstones of our successes.

The rise in the capacity of BHt coking is proceeding on similar lines without substantial changes in the total plant. Here the planning process is

the criterion for the quick transfer of scientific-technological findings into practice. About 1,000-1,500 planning hours annually are needed for standard planning aided by electronic data processing, so that the latest scientific-technological findings may be incorporated in the reconstructions.

Hard Coal Coke Output

Consonant with trends on the world market, the output of hard coal coke is steadily rising in importance in the GDR also. Energy management takes this development into account by the reconstruction and expansion of the coking plant in Zwickau and the major gasification plant in Magdeburg. The aim of these intensification projects is the more efficient organization of all production processes and a rise in plant capacity from 940,000 tons now to 1.215 million tons in 1985.

The crucial scientific-technological targets are these:

- The ongoing implementation of the new stamping technology in the Zwickau August Bebel Works to raise the percentage of foundry coke and consequently allow imports to be reduced,
- The provision of proper conditions for continuous four-battery operation in the giant gasification works in Magdeburg from mid-1980 on, especially in the plants connected in series,
- The provision of the proper conditions for preparing and carrying out the construction of the new battery in the Zwickau hard coal coking plant which is to begin operations in 1983,
- The introduction of dry coke cooling in Zwickau in order substantially to improve environmental conditions by applying the potential of socialist integration. The Soviet license for "gipro-coke" allows the replacement of coke imports for the carbide industry,
- Joint research by the chemical industry and energy management for the large-scale technical preparation of chemical cokes.

The Production and Use of Cokes

As high-quality hard coal cokes are traded on the world market on increasingly onerous terms while the GDR needs more and more hard coal coke due to the expansion of the metallurgical industry, quite new ideas and a more comprehensive consideration of cokes in general (low-temperature coke, EHT coke and hard coal coke) are required. Certainly we cannot completely substitute any one of these cokes for any other, but there are some possibilities, and the following tasks arise from these:

- It will be necessary increasingly to develop EHT coke for other industrial consumers, mainly as a carbon carrier. This applies quite especially to

the carbide industry. The proper conditions must be established jointly. The problem is surely not solved by merely raising demands on the quality of BHT coke. For the chemical industry this may imply the development of a molded coke process or the production of reaction briquettes or reaction pellets without binding agents for the processing of coke dust with calcium hydroxide and, for the gas combine, greater emphasis on studying the feasibility of raising the structural strength of BHT coke.

-- Another task would involve more thorough consideration (or even a return to consideration of any kind) of low-temperature coke. That is imperative because the process of low-temperature carbonization was badly neglected in the past 15 years.

Generally we are detecting some very interesting ideas about substitution. However, this economic problem cannot be resolved without intensive efforts. To be blunt, the reconstruction of the low-temperature carbonization plant in Espenham must be comprehensive and include the efficient utilization of the gas and coke obtained. If that were done, tar--the main product--would be obtained at better quality and in larger quantities.

This generally favorable development has encouraged the experts to prepare new development targets. The long-range research program therefore includes such tasks as:

- The problem of separating sand from crude coal to raise the lifespan of the refinery facilities,
- Lowering the dust content in tar,
- Preparing for the use of lump coal in gasification,
- Using rubbly culm coke in the metallurgical industry to replace heating oil,
- Producing chemical cokes,
- Further pursuing research with regard to the production of molded coke.

Visits by experts from the Soviet Union, the CSSR, the People's Republic of Poland, the Hungarian People's Republic and even from the United States, Japan, France and Austria show that these developments are arousing international interest.

In summation we see that the VEB Gas Combine Schwarze Pumpe is pursuing the further scientific-technical and technological development of the proven coal refinement processes such as

- Briquetting (with the help of the Freiburg Mining Academy)
- Coal pressure gasification, and
- BHT and hard coal coking.

That is urgently needed because the capacity of the plants and the quality of the finished products must cope with increasing challenges. These technologies will dominate at least until 2000. That is why it is well worth while to commit the expenditure now invested in research and development.

Development of Gas Management

The product group gas and the gas combine have grown by carrying out the scientific-technological tasks. By now they are efficient and reliable partners in energy management. Preparations for the 1981-1985 Five-Year Plan show that new and greater tasks will have to be accomplished. The development of gas management and the responsibility involved is characterized by the fact that the gas combine must meet the rising demand by efficient processes and, together with its partners, take effective steps for the rational use of gas.

By 1990 gas production in the GDR must be raised to 150 percent by the further rationalization of existing gas producers and the development of new processes.

A crucial factor is the disparity in summer and winter demand. The facilities of local gas production are unable to meet the peak winter demand. The gas industry therefore stores some 500 million cubic meters of active gas in efficient underground gas storage facilities (UGS). This suffices to meet the winter demand for city gas, which is twice that of the summer months. Taking this demand into account much attention was devoted to the development of efficient UGS. Now the GDR has seven underground stores for locally produced gas and imported natural gas, and total stocks of active gas amount to about 900 million cubic meters. These stores were created in aquifer structures, former hydrocarbon deposits, large artificial caves and disused mine shafts, and they are designed to stockpile synthetic as well as natural gas. This variety is by no means a drawback; actually—if used properly—it represents an advantage insofar as a supraregional or regional combination may achieve the best possible adjustment of availability to meet daily, weekly and annual demand.

The city gasometer at Ketzin—an aquifer structure--, for example, requires a basic schedule of 2-2.5 million cubic meters per day—for reservoir-mechanical reasons. If this output is not needed in any one week, the surplus may be used to inflate the cavity storage at Kirchheiligen in Thuringia, which is able to handle 4 million cubic meters per day.

Similar combinations arise in the natural gas storage system of the GDR. One aquifer store in the Berlin region, for example, may serve as the basic load store in correspondence with a major cave storage near Bernburg which is designed for top loads, and the latter in turn is in correspondence with a neighboring cavity store near Bad Lauchstädt.

A few months ago a scientific-technological top performance in the field of storage was transferred to practice. A geological structure contains locally produced and natural gas in immediate vicinity. The common above-ground facility ensures that the caves may in future be chosen to store synthetic or natural gas, as the case may be.

In the past GDR underground stores with their various combinations have proven very useful. Their ongoing expansion and the development of linkage are reflected in research plans and take into account the steadily rising demand.

The VEB Gas Combine Schwarze Pumpe produces or obtains in the months of maximum demand some 30 million cubic meters of locally produced gas per day, about 30 million cubic meters of GDR natural gas and some 13 million cubic meters of imported natural gas. A high-pressure pipeline network about 5,000 km long is available for that purpose. The control of the gas quantities piped to the consumers is handled by a computer controlled center, the main gas distribution office in Berlin. These rationalization measures have enabled us to raise the per capita consumption of locally produced and natural gas

from 500 Meal [1,000 calories] per resident in 1960
to 4,000 Meal per resident in 1979

in other words an 8-fold increase.

The demand for gas is constantly rising, and everything possible is being done to satisfy the need, especially of the public. The prerequisite is the priority development of coal refinement.

Joint Research--An Important Condition of Continued Progress

The Merseburg Days of Technology are particularly appropriate for submitting to the advanced schools offers of research cooperation in industry. Our experiences show that the further deepening of scientific-technological cooperation between industry and the institutions of the universities and technical schools represents a vital condition for the inexpensive preparation of efficient and high-quality solutions to problems.

Starting out from specific study orientations and experiences, cooperation relations were developed in recent years between the Freiberg Fuel Institute, the Freiberg Mining Academy, the Carl Schorlemmer Advanced Technical School in Leuna-Merseburg, the Otto von Guericke Advanced Technical School in Magdeburg, the Advanced Engineering School in Zittau, the Advanced Engineering School in Koethen, the Academy of Sciences of the GDR and the Karl Marx University in Leipzig. This cooperation relates in the first place to the following research complexes or tasks:

-- Special problems of brown coal briquetting.

- Fundamental studies on the improvement of the structural strength of BHT coke are the object of cooperation relations with the GDR Academy of Sciences.
- Together with the Carl Schorlemmer Advanced Technical School in Leuna-Merseburg and the Brown Coal Combine Lauchhammer the development of chemical coke for the carbide process on the basis of BHT coke is being studied in order to permit the replacement of imported hard coal coke.
- The reduction of wear and tear arising from mineral impurities in strip mining equipment is the target of multilateral intensive cooperation between the Freiberg Mining Academy, the Carl Schorlemmer Advanced Technical School in Leuna-Merseburg and the Fuel Institute.
- The expansion of fundamental knowledge relating to the coal pressure gasification process is the goal of studies carried out by dividing the necessary research work between the Freiberg Mining Academy, the Karl Marx University in Leipzig and the GDR Academy of Sciences.

We hope that our lecture will contribute to the even closer cooperation between the energy industry and the chemical industry, especially in the field of science and technology.

11698
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GERMAN DEMOCRATIC REPUBLIC

INCREASED NUMBER OF SPECIALITY FOOD SHOPS NOTED

West German Commentary

Bonn IV ACESDIENST in German No 29, 21 Feb 80 p 1

[Report from Berlin: "Increasing Number of 'Delikat Shops' in GDR--Public Criticizes Excessive Prices." A translation of the Leipzig LEIPZIGER VOLKSZEITUNG item referred to below follows this commentary]

[Text] The so-called "delikat shops," which in the GDR are selling high-quality essential and nonessential foods and beverages, some of them from the West, at excessive East mark prices and are believed to be the counterpart to the intershops, are shooting out of the ground like mushrooms in many GDR cities. According to reports from the GDR, their number has considerably increased in all bezirks in the past months. In Leipzig Bezirk, for instance, there are about two dozen of these stores and their number is "going to increase" in 1980. Since the beginning of this year five new specialty food stores have already been opened in Leipzig. The share of these stores in the total essential and nonessential foods and beverages business of the State Trade Organization (HO) is growing with corresponding speed. In Leipzig Bezirk this share already amounts to 6 percent.

The official job of the specialty food stores is to better satisfy the "great demand" for high-quality products from GDR production and the West. The excessive prices and the resulting profits for the state specialty food trade, however, are increasingly used to subsidize the prices for many basic food items which are kept stable and low for political reasons. The increase in the number of "luxury stores" is now as before criticized by the mass affluent groups of the GDR population, especially since a number of articles have disappeared from the regular assortments and are now being offered under new wrappings, with new labels, and for higher prices.

Shops in Leipzig Bezirk

Leipzig LEIPZIGER VOLKSZEITUNG in German 14 Feb 80 p 7

[Answer] by Eva Firesch, commodity director, Bezirk Directorate, State Trade Organization (HO), to a question from reader Dieter Kunze, 7033 Leipzig: "Innovations in the Specialty Food Business"]

[Text] [Question] What are the latest developments in the specialty food business in our bezirk? What new items and innovations are there?

[Answer] The specialty food business, which is managed by the State Trade Organization (HO), has been developing in our bezirk since the beginning of 1978. Today it amounts to 6 percent of the essential and nonessential foods and beverages business managed by the HO. It is the job of the specialty food business to better satisfy the great demand for high-quality products from domestic production, permit production and imports.

At the end of 1979 there were 20 specialty food stores in our bezirk, 12 of them in Leipzig, 2 in Borna and 1 each in Altenburg, Doeblin, Leisnig, Oschatz, Torgau and Wurzen. Their number is going to increase in 1980. In January of this year a new specialty food store opened here in Leipzig on Erich-Ferl-Strasse, specialty stores for wines and liquors on Georg-Schumann-Strasse, on Komsomol-Strasse, Riemann-Strasse and Ernst-Thaelmann-Strasse.

The assortment of goods offered by the specialty food stores includes fresh produce like dairy products, meat and sausage products, baked goods and delicatessen items prepared by our own employees, such as ham rolls, chicken salad, mushroom salad, stuffed eggs with olives and stuffed peaches, to name but a few of the delicacies.

In the seven specialty food stores of our bezirk which have a complete assortment of good food platters for family parties are prepared and food packages to be used as presents are sold. These customer services are in great demand.

There are numerous new items among the products being offered. I will mention here only five new kinds of salad dressing which are even going to be increased in variety in 1980, the popular apple wheat gin produced by three firms in our country, and instant lemon- and orange-flavored soft drinks produced in our own bezirk by the VEB Food Processing Plant Colditz. This year the new Colditz soft drink, which easily matches the quality of similar import products, will be supplemented by new raspberry and strawberry flavors. In this way we can make the specialty food store items varied and attractive.

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GERMAN DEMOCRATIC REPUBLIC

FRG ASSESSMENT: 1979 STATUS OF GDR AGRICULTURAL YIELDS, TECHNOLOGY

Bonn INFORMATIONEN in German No 4, Feb 80 pp 8-10

[Report by FRG Ministry for Inner-German Relations: "GDR Agriculture in 1979"]

[Text] During the past year, 35.5 decitons of grain per hectare were harvested in the GDR. This amounts to somewhat less than was harvested in 1978 (38.6 decitons). It is expected that this year the GDR will have to spend approximately 1 billion marks for importing from 3.0 to 3.5 million tons of grain. In the sphere of livestock production, levels have remained approximately the same compared with those of the preceding years, in which connection most of the livestock categories have shown a negligible increase. In the sphere of agricultural technology, the mechanization level of livestock production has been raised further, although it still is clearly below that of vegetable production.

Only in the case of potatoes and of storage and green corn were vegetable cultivation yields better in 1979 than they were in 1978. In the case of all other cultivation work, it was not possible to attain the harvest yield levels of the preceding year. In comparison to the preceding years, oleaginous plant cultivation yields dropped considerably in 1979.

The following outline shows the extent of the fluctuation of annual vegetable cultivation yields in GDR agriculture:

	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>
	Decitons per hectare				
Grain	35.5	32.2	34.5	38.6	35.5
Potatoes	133.6	113.7	175.6	186.3	220.0
Sugar beets	241.5	191.1	319.1	289.6	260.0
Oleaginous plants	26.4	24.0	23.6	24.4	17.2
Fodder root crops	459.1	375.5	605.2	545.8	530.0
Field fodder plants	312.1	259.2	391.2	353.6	352.0
Green and silo corn	281.0	186.1	364.8	234.8	350.0

The following table represents a survey of the grain harvest, the grain imports, and the total grain consumption during the past 5 years in million tons each:

	1975	1976	1977	1978	1979
Total grain harvest	8.910	8.190	8.605	9.822	8.875 ¹⁾
Grain imports, of which:	3.315	4.832	2.621	2.722	- ²⁾
Wheat	1.130	1.691	1.100	0.687	-
Barley	0.390	0.795	0.581	0.806	-
Corn	1.795	2.346	0.940	1.229	-
Total grain consumption	12.225	13.022	11.316	12.544	-

¹⁾ Calculated

²⁾ Pertinent data not as yet available.

From this outline it follows that in recent years the total grain consumption in the GDR has swung to about 12 million tons. If one uses as a basis a total harvest of 8.875 million tons of grain in 1979, it is probable that the GDR will import also in 1980 approximately 3.0 to 3.5 million tons of grain, primarily fodder grain. At the present time, the world market price for a ton of wheat is DM 360, for a ton of barley it is DM 286, and for a ton of corn it is DM 223. If, therefore, one uses as a basis an "average grain price" of DM 290 and multiplies this amount by the approximate import requirements of 3.0 to 3.5 million tons of grain, the GDR would have to spend between DM 870 million and DM 1.015 million for grain purchases on the world market (the CEMA states are out of the question as possible suppliers, since they have high import requirements themselves).

Livestock Production

According to a report issued by the National Central Administration for Statistics, livestock inventories have increased further in 1979. There was a negligible reduction only in the number of cows, and there was an insignificant increase in all other livestock inventories. The following outline shows the development of livestock ownership since 1975 (as of 20 November 1979; in units of 1,000 head each):

Livestock category	1975	1976	1977	1978	1979
Cattle, including cows	5,531 2,155	5,471 2,146	5,549 2,158	5,572 2,141	5,596 2,124
Pigs, including sows	11,501 1,117	11,291 1,131	11,757 1,152	11,734 1,196	12,132 1,248
Sheep	1,883	1,870	1,927	1,965	1,979
Laying hens	25,706	26,365	26,350	26,266	26,500

In contrast to previous years, this year's report of the National Central Administration for Statistics furnishes neither tonnage nor percentage figures for the national yield of products from animal production. One may conclude from this fact that the yields from animal production were inadequate.

As has happened in the preceding years, high breeding losses occurred again in 1979 in the spheres of pig and cattle production. A GDR veterinarian recently wrote in BAUERN-ECHO that the highest losses were sustained in the 1- to 3-month age range, and that they were caused primarily by carelessness in connection with the birth process and the provision of care for the calves and piglets during their first hours of life. The loss rate, he wrote, had in some instances reached a level of from 15 to 20 percent.

Without individual livestock raising, animal product yields would have been lower in 1979. On the basis of this realization, the GDR supported private livestock ownership to an increased extent. For instance, in the past year the small animal breeders and small animal owners in the GDR delivered more than 40 percent of chicken eggs for the supply of the population. The commercially available rabbit meat comes exclusively from private animal owners.

Agricultural Technology

Deliveries of tractors, trucks, harvester threshers, and other agricultural equipment to the agrarian economy continued to increase in 1979. The extent to which old equipment was eliminated cannot be determined from the agrarian press. At any rate, there was a lack of adequate mechanized capacity for the grain, potato, and sugar beet harvests. It was necessary to use the machines 15 to 18 hours per day.

It has not been possible to determine from the pertinent press the extent to which the spare part problem has been solved. But it is certain that considerable shortcomings existed in this area. In order to reduce these bottlenecks, spare parts valued at M423 million were in 1979 reclaimed and

reused for repairing agricultural machinery and equipment. The high level of mechanization in the sphere of vegetable production (in many instances a level of 100 percent has been attained) requires an adequate fostering of agricultural technology which, however, is not as yet guaranteed in many cases.

In order to improve this state of affairs, the GDR Council of Ministers in the summer of last year issued an order concerning the servicing and maintenance of technical equipment in the sphere of agricultural, forestry, and food production technology, which stipulates that so-called "agricultural technical inspectors" are to control the required maintenance, servicing, and conservation work. These inspectors, who are accountable to the state organs, are authorized to recommend that in cases of good or inadequate maintenance and servicing work those responsible either be awarded bonuses or be punished with a fine.

In contrast to the high level of mechanization in the sphere of vegetable production, the level of mechanization in the field of livestock production is still low, even though it has been raised considerably during the past year. For purposes of raising it further, considerable investment funds have been made available for rationalization and reconstruction of stables.

8272
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1980 INVESTMENT SITUATION DESCRIBED BY BANK DIRECTOR

Budapest NEPSZABADSAG in Hungarian 19 Mar 80 p 10

[Article by Peter Havas, managing director of the State Development Bank:
"Investment Situation in 1980"]

[Text] We can pick out a brief period of time, a calendar year for example, and in that framework study the investment situation only in the manner that we might examine more carefully a kilometer unit in a long, seemingly unending journey. What we find essential therein may be for the most part the same, or at least very similar, to what we found in preceding stages, but we may also find some matters which are different--and these are the most worthy of attention. These did not begin either with the initial kilometer marker or--to give up the analogy--with the year's beginning, but somewhat earlier. In brief, we can interpret investments only as the continuation of trends that started earlier and as the interpenetration of new, initial and developing processes and phenomena.

Too Much at Once

The first such striking phenomenon is that there are still too many investments underway at once. Their total value comes to about 700 to 750 billion forints. Of these, investments with a value of 350 to 400 billion forints were realized in earlier years, and more than a half of these are already in operation. But 195 billion of investments--about as much as a full year's investment costs--were still unfinished at the beginning of the year. And if we take into account that some of the so-called auxiliary facilities of the developments not yet in operation are still not ready, it becomes evident that the investment funds which cannot be utilized for the time being are greater than the statistically recorded 195 billion of unfinished stocks.

It is a further noteworthy feature of the situation as pictured at the beginning of the year that there are many relatively large investments which are for the greater part technically finished and therefore will be completed shortly. At the beginning of the year there were almost 1,000 such investments in process whose cost estimates were more than 100 million forints each. Of these 1,000, there were about 100 whose investment value exceeded even 1 billion forints. Most of these will be put into operation this year or next.

The above-outlined situation which is encumbered with a considerable number of negative features was brought about by the fact that we started many new investments between 1974-1977. Independently of the fact that with a few exceptions these investments serve useful social goals, their simultaneity caused many disturbances in our economic life. The implementation building and fitting industry capacities have been fragmented, and the realization time lengthened. Material, labor and machine shortages which hinder organized and steady implementation have become chronic; called simply "investment stresses" in the past, they loosened contractual discipline in an intolerable way. All this is accompanied by a huge waste of money and resources.

We cannot reckon how much we have lost because of poor organization, the increase in stoppage time, and the poor utilization of valuable machines. And it is very difficult to estimate the losses caused to the national income by delays in investments which could have been put into operation a year or two earlier than anticipated through technical preparation of implementation and present technical equipment. What we can exactly calculate is not negligible. In scarcely 4 years, the unfinished stock of investments increased by almost 100 million forints, that is, it more than doubled. We have obligated this much of new value produced in the material branches of the economy, but up to now we have derived no benefit from it. In this sense we can also say that this 100 billion forints is the least effectively used part of our national income.

Given these less than encouraging facts, we must of course also see those favorable phenomena which are starting to unfold as a result of the carrying out of the party and government resolutions that have been made in the past 2 to 3 years. The measures taken in 1977 to cool down investment are not as short-lived as similar steps taken in 1972. The "braking action" taken in 1972 was followed within scarcely 2 years--as we can now see at the most unsuitable point of time--by an accelerating increase in investments exceeding anything up to that time and causing great difficulties for us at the beginning of the global economic changes. Now a more consistent government attitude manifests itself primarily in the fact that for a number of years we have hardly started new large investments (since earlier we started many). Among other things, it can be ascribed to this that in 1979 work on most of the important investments was accelerated.

What Can We Expect?

In 1980 we can hope for more benefits from this encouraging process. We have a real possibility of putting into operation this year considerably more investments than in any preceding year. This also means that the fixed funds of our economy in comparison to last year, despite approximately 10 percent less investment, can grow more rapidly than in previous years which were strong in investment outlays. The unfinished portion of unprofitably "frozen" investments will not grow further, and in fact may be expected to decline by several billions.

The value of the economy's fixed funds also grew more rapidly in recent years than the national income. This growth has amounted to 6 to 7 percent annually. The 7 to 9 percent increase in industrial fixed funds also exceeded the rate of industrial production growth. With the improvement in investment work the rate of fixed-fund growth can be even faster in 1980 as compared to the national income and the relatively more modest increase in industrial production in recent years. The investments which are now being completed--considering also the initial difficulties to be encountered in putting them into operation--will serve primarily to realize the tasks of the Sixth Five-Year Plan beginning next year.

Up to this point we have examined only the economic interrelationships. Perhaps it is even more important, however, to turn our attention to those changes which are in evidence (or can be anticipated) in the attitudes of the investing, planning and implementing enterprises in reaction to the gradually narrowing market demand. A number of enterprises are already feeling the slackening of demand. But many more construction industry planning and implementing enterprises are only now beginning to survey the extent of investment orders that may be expected in the coming years. The enterprises which perform trade and fitting jobs on the other hand are still working under a greater load than ever and concentrating their attention on the realization of the tasks.

Importance of the Customer Is Increasing

It is a very favorable change that a number of building industry enterprises, departing from general practice up to now, are showing greater respect for the desires of the customer, and are willing to accept jobs farther from their operational district. Another encouraging sign is that some implementing enterprises are offering to do subcontractor jobs for general contractors who are engaged in larger investments. It would be well if there were still greater willingness in this direction because this would help in the faster completion of investments still in process. It is also easier today to find implementers of heavy jobs for building renovation than was the case 2 to 3 years ago. For the most part, machine factories up to now have not excelled in fulfilling. Now it seems that a few enterprises desire to compete more vigorously with the foreign suppliers, and in its offers it promises shorter deadlines than usual.

These first modest signs of favorable changes will likely multiply rapidly, and within a year or two the positive developments may become general. For this, of course, it will be necessary for the decades-old customs stemming from the implementation monopoly situation to change, as well as the way of thinking and the improper practices which have become the rule.

Which are the most important of these? We must leave behind those habits which force the earliest possible start of an investment even when the conditions are lacking for steady, well-organized implementation. To do this we must reinterpret the so-called concept of plan preparation. Sterile

debates have been conducted, which still are not ended, over whether it is possible to begin without "full plan documentation." In Hungary they mean by this such a detailed preparation of plans--and we are alone in the world in this respect--that will make it unnecessary to add one pencil line. And since in practice one cannot require such plan preparation before starting the work, the implementation is often begun even when the basic plans are lacking.

Do Not Sign Disadvantageous Contracts

This could be changed if the interested parties gradually converted to the method of preparing plans for the invitation of tenders. This means the working out of plans on the basis of which the general implementer can make a realistic offer, taking into account his own technological preparedness, workload capacities, and all those methods of organizing implementation which will substantially influence the price, completion deadline and other important conditions. Thereafter the technical details of the plans for implementation will be prepared by the implementer, or he will have some of them prepared by others.

With this it will be possible to cut the Gordian knot of endless disputes arising from constant plan shortages. The investor will know what he will receive, the implementer what he must make, and it is he who has to solve the "how" of the details. The conditions for this still do not exist in the case of every building and fitting enterprise, but many of them already have their own planning department and organization suitable for making bids. It is also important that the investors should not take on themselves the role of a subordinate partner smoothing out all the disputes between the planner and the implementer and bearing all the harmful consequences thereof.

Both of the domestic partners must be bound to "hard," mutually obligatory contract terms. These should be similar to the ones which are signed with us in foreign undertakings or which we sign with foreign implementers. Such contracts have been rare in domestic investments. There were many more excessively broad agreement statements and general references to the later clarification of "detailed questions" which could not be neglected at all. This is why these contracts are more modification than observed.

Now in a relatively few investments to be started in the near future the investors can better realize the interests of the customers in the contracts. They have the possibility of making the contractors compete and to give the advantage to those who make a more complete and responsible offer. They should, not, therefore, sign contracts that are disadvantageous to themselves. They should not accept a long implementation time, or have to coordinate the work of the many subcontractors. It is of benefit to no one if any injured party allows to go unpunished the violation of contractual obligations by calling on badly rationalized socialist cooperation. The builders, the fitters, and the machine manufacturers can undertake their work with greater responsibility only if they themselves set stricter conditions for their suppliers and subcontractors.

Against Rescuing Actions

We should also prevent any person or organ in defense of monopolistic interests in his "own" area, or other considerations, from trying to throw a "lifesaver" to certain planning, implementing and supplying enterprises so that they may more or less keep their own once comfortable positions and be saved from tasks requiring greater effort in providing good research and service to the "buyer--the investor. It would be a mistake to "help out" the inactive or the unclever, to allow them to escape the obviously heavy burdens of order shortages and unused capacities. This would result in the retrogression of a development barely underway in a good direction.

We need only several years of patience and consistency and we can be sure that most of the planning and implementation enterprises which have become strengthened in recent years technically and in their undertaking capability will take advantage of the opportunities and with better use of their resources create the conditions for dynamic development. In this connection I believe it will be worthwhile to examine in detail whether we should not modify a number of prescriptions (the methods of investment financing, the so-called designation system, the planning guidelines, etc.) regarded as basic from the viewpoint of realization, in accordance with a new situation now coming into shape, and open the way therewith to faster more effective unfolding of the enterprise spirit which serves a more rapid and effective implementation of the investments.

The key question about the investment situation is whether the enterprises will receive financial help for developing an economic product structure. The answer is clearly yes. The investment possibilities are tight, to be sure, but not to the extent that there would be no money available for economic developments that would actually improve the balance. This depends primarily on favorable credit extension conditions. Under considerably tighter limits than these, enterprises which are developing rapidly and profitably may receive state grants for new, economic investments. Thus both of these sources for financing help in the expansion of the favorably marketable export base, and in the realization of developments serving favorable import substitutions, and in industrial support capacities necessary for the operation of such investments.

Many more problems are caused for the enterprises and the banks by their judgment of the future effects of the new price system and the regulators. For this reason some decline is perceptible in enterprise readiness. We must rapidly bring this under control. Never has the country needed good enterprise initiative more than right now.

6691
CSO: 2500

HUNGARY

COPPER DEPOSITS DEEMED ADEQUATE FOR EXPORT, DOMESTIC NEEDS

Budapest NEPSZAVA in Hungarian 30 Mar 80 p 3

[Interview with Laszlo Kapolli, deputy minister of heavy industry, date and place not given]

[Excerpts] According to Dr Laszlo Kapolli, deputy minister of heavy industry, deep-lying deposits of copper discovered as the result of recent exploration at Recsk, deposits formerly considered too costly for extraction, "will, in case of maximum mining planned, suffice for over 30 years. The projected combine in Recsk will not only satisfy domestic demand in full but will permit exports. Although this deposit will account for no more than one percent of world copper production, it will, nevertheless, put Hungary immediately after the Soviet Union, Poland, Yugoslavia and Poland in terms of European production.

"Benefits to the national economy will more than offset the costs of mining the ore and establishing the combine. Implementation of the first stage of the combine, alone, will cost 10 billion forints. The combine will consist of mine, foundry and refinery.

"Insofar as refining technology is concerned, the Csepel Works already is in command of such further processing technology which is on par with the world state-of-the art.

"Actually development of the mine has barely begun: so far it consists of a 1,200-meter vertical shaft. The second shaft will be sunk by the end of this year. The gallery which will connect the two shafts has already been cut at a depth of 700 meters.

"The decision to exploit the ore deposit came into being only after considerable debate. This is because it lies so far underground, and copper is mined at such a depth in only one other place: San Manuel in America. The copper content of the Recsk ore amounts to about one percent. The combine will also utilize the sulfur dioxide resulting from processing by establishing a sulphuric acid factory.

"Although high-level discussions have been held, it is too soon to announce whether or not, or what kind of foreign participation there will be in the establishment of the combine."

ROMANIA

DATA ON SAVINGS, LOAN BANK ACTIVITIY

Bucharest ERA SOCIALISTA in Romanian No 5, 5 Mar 80 pp 53-54

/Unsigned article: "Some Significant Data on the Growth of Savings Deposits In the Savings and Loan Bank"

/Text/ The notable progress our people have made in building our fully developed socialist society has made the rapid growth of the national income possible, and consequently the constant material and cultural betterment of all categories of workers.

The continuing improvement of the public's living standard and the substantial gains in their incomes have enhanced their ability to save and increased their cash savings deposits in the CEC (Savings and Loan Bank).

In the first 4 years of the five-year plan, while the volume of sales through socialist and cooperative trade as well as services to the public gained steadily, the public's total deposits in the CEC increased by 92.6 percent from the end of 1975, at an average annual growth rate of 17.8 percent. At the same time the savings program was intensified and the public now holds 16.7 million passbooks, which is nearly 1.4 million more than at the end of 1978 and which means an average of one passbook per 1.3 inhabitants.

The results obtained were due to the fact that the CEC came to the depositors' aid by making a variety of savings instruments available to them.

Among the savings instruments the most important contribution to the growth of the public's total savings was made by the accounts for time deposits with interest (34.8 percent) and those for accounts with interest and benefits in passenger cars (23.6 percent). The overall annual growth rate of the time deposits was 22.8 percent, higher than that of the other savings instruments.

Besides the traditional accounts for time and demand deposits with interest, the citizens could also make deposits in savings accounts with interest and benefits, with benefits, and with interest and benefits in passenger cars and construction materials and for tourism, housing construction, CEC bonds with benefits, etc.

The private current account, a savings and payment instrument whereby deposits can be made and the holders can order periodic and occasional payments by transfer or in cash, was also available to the public.

And in addition to keeping the public's savings, the CEC units made it possible to make deposits by transfer and consent from the incomes received by workers from the socialist units. In 1979 the number of agreements to make deposits by transfer increased by 14,588, and by the end of the year there were 197,081 of them.

The CEC also made a regular effort to intensify indoctrination of the young generation in the saving spirit. School savings banks were founded for this purpose in high schools, general schools and trade schools. By the close of the 1978-1979 school year 136 school savings banks had been founded and 15,641 pupils' passbooks had been issued, to a total amount of 873,863 lei. The program to organize new school savings banks is being continued this year alongside the effort to consolidate those founded last year.

Along with its effort to attract the public's savings, the CEC is carrying out our party's policy of granting credits to citizens wishing to build their privately owned homes or to buy homes from the state housing reserve which they are occupying as tenants.

In 1979 the public was granted credits amounting to 4.4 billion lei, the sum total of the credits granted reached 26.3 billion lei, and the number of loan accounts reached 722,836.

Consequently the deposits maintained in the CEC are returned to economic circulation and serve to develop the national economy and to credit the public, so that saving is not only an individual virtue but also a social necessity.

As the volume and number of depositing and crediting operations increased, the CEC tried to improve its service to the citizens. To this end steps were taken to further develop the network of units at the citizens' places of work, in the new districts of cities and in communes. Their number was increased by 283 units in the 1976-1979 period. The depositors can now operate through 673 of the CEC's own units, 3,811 postal units, 645 credit cooperatives, and 2,241 savings account offices in enterprises or communes.

In order to save the depositors' time in performance of operations and waiting, service in a great many CEC units was organized by the integral system, whereby the same worker performs all the tellers' operations, including those of the cashier. For the same purpose greater emphasis was placed on improving the CEC workers' professional training and their behavior toward the citizens depending on the CEC's services.

The idea and spirit of saving have been instilled in the working masses, and confidence in the CEC, the institution with old traditions in this field, has been steadily strengthened.

The depositors' confidence in the CEC is based on the fact that the state guarantees the deposits, the interest and the benefits obtained in their entirety, they are restored at any time upon the depositors' request, and they are inviolable.

The holders of deposits in the CEC also enjoy other advantages and benefits such as secrecy concerning the names of depositors and holders of the deposited sums and the operations performed by them, exemption of deposits and the other incomes received from the CEC from taxes and fees, etc.

For the sums deposited in the CEC, citizens receive interest and major benefits in cash or commodities. In 1979 some 1,877 passenger cars were awarded solely for the sums kept in the savings accounts with interest and benefits in passenger cars, aside from the interest in cash due every depositor.

In view of the workers' increased incomes, it is the CEC's highly important task for 1980 to attract the public's cash surpluses.

Encouragement of more citizens to make deposits on a written consent basis will continue to be a particular concern of the CEC's working personnel.

In the urban areas special emphasis will be placed on organizing units in the new districts of cities, where the population has increased considerably in the last few years.

The administrative offices will be expanded in 1980 in order to cope with the increased number of operations and the constantly growing number of citizens and in order to bring service to the depositors close to their places of work.

Special emphasis will be placed on professional training of the CEC's working personnel through on-the-job instruction and organization of exchanges of experience among CEC workers in the same county or on a national basis.

In view of the necessity of providing for the best possible service to depositors, the activity of publicizing and informing the citizens will be intensified. For this purpose the ways and means of publicizing will be diversified and more use will be made of past experience in this field.

In the effort to keep improving the quality of its work in all sectors of activity, the CEC will organize its operations so as to accomplish its important tasks for 1980, a critical year for fulfillment of the five-year plan, and to make its contribution along with the entire people to the attainment of the objectives based on the documents of the 12th Party Congress.

5186
CSO: 2700

YUGOSLAVIA

CHANGES IN PERSONAL CONSUMPTION OUTLINED

Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 11 Feb 80 p 31

[Text] Together with an increase in the funds available for the purchase of goods and in the total volume of the resources of the population, perceptible changes in the structure of personal consumption have appeared. The essential changes, and those which are the most relevant, are being observed in the relative reduction of expenditures for food. For example, these expenditures amounted to 54 percent of all expenses for personal consumption in 1952, but in 1987 they came to only 38 percent. At the same time there has been an increase in both the quality and the quantity of the food products used by the population. However, the consumption of grain products is still high in our country, while the consumption of livestock products--meat, milk, eggs, and refined products--is relatively lower than it had been assumed it would be earlier for 1978-79.

The consumption of manufactured goods, especially durable consumer goods, has engaged the resources of the population more and more, and has achieved a very high level today, especially with a few goods (labor-saving devices, radio and television sets, automobiles). The purchase of furniture has also increased relatively.

Furniture and household furnishings today take up about 10 percent of the resources going for personal consumption, clothing and footwear about 11.5 percent, approximately the same percentage for transportation and communication, while about 11 percent goes for beverages and tobacco, which is considered to be a high proportion. Expenses for fuel and lighting increased their level of participation to an insignificant extent (6.3 percent in 1952, 6.6 in 1975, and about 7 percent in 1978), expenditures for health and hygiene stagnated somewhat in recent years, while those for culture and recreation recorded a modest increase in the structure of total personal consumption.

For the last 3 to 4 years (1975-78) the consumption of grain products (rye and wheat) has decreased by 6 Kg for each member of the population (from 196 to 190 Kg), the consumption of vegetables increased about 20 Kg, meat increased about 3 Kg, milk about 15 liters, but the consumption of sugar

stayed at about 31 Kg. The caloric value of the daily diet for each member of the population now amounts to approximately 3,500 Kg, which is considered to be the optimum energy level for the living conditions of our population. The number of calories of animal origin came close to one-third of the total caloric intake, while in 1952 for example, this was only 15 percent. However, this amount still does not satisfy the nutritive standards of the population because animal protein amounts to less than 35 grams a day per inhabitant.

Of course, these data concerning averages in Yugoslavia conceal great differences between individual regions in our country, conditioned by different incomes of the population as well as by different habits and customs.

9548
CSO: 2800

YUGOSLAVIA

WORK TIME NEEDED TO PURCHASE CONSUMER GOODS

Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 4 Feb 80 pp 29-30

[Text] Together with the growth of nominal and real incomes, i.e., the faster growth of nominal personal income relative to increases of retail prices, less working time has been necessary from year to year for the last 10 years for the purchase of the same quality and variety of goods for personal consumption. This trend, however, has not been uniform for all types of products, and similarly for all workers in different areas of the economy. This is explained by the fact that the growth of personal income has not been uniform in all areas, as well as by the fact that retail prices are not moving in the same way for all food and industrial products intended for personal consumption.

For example, in 1970 employed workers in industry and mining needed to work an average of 17 minutes for a kilogram of brown bread and 21 minutes for a kilogram of white bread; in 1978 the time needed was 13 and 16 minutes respectively. Similarly, a worker with average earnings needed to work 2 hours and 17 minutes in 1970 for a kilogram of beef, compared to 1 hour and 15 minutes in 1978; for a kilogram of pork the time was 2 hours and 50 minutes compared to 2 hours and 18 minutes; for a liter of edible oil products the time was 49 and 47 minutes respectively. The ratios were more favorable for the purchase of textiles, but for the purchase of shoes more working time was required. Fabric for men's clothing cost a worker 17.5 hours of work in 1970 and 10 hours and 6 minutes in 1978; cloth for a woman's dress cost 11 hours and 31 minutes compared to 6 hours and 46 minutes; however, for a pair of low-cut men's shoes, 16 hours and 8 minutes was needed in 1970, but in 1978 the time required was 17 hours and 23 minutes. For the purchase of a radio the required working time has been reduced from 106 hours to about 77 hours during the 8-year period; for a television set it went from 412 to 207 working hours (exactly 50 percent less); for a refrigerator from 217 to 141.5 hours, but for a range it increased from 138 to 169 hours (30 hours or 21 percent more) of working time.

The least favorable situation is for the purchase of apartments. For an average-sized two-bedroom apartment, workers in industry and mining needed

to work--taking into consideration the average price of an apartment and the average personal income--8.9 years in 1974 and 8.4 years in 1978. In the space of the last 3 years in our country the price of an apartment in the city has gone up 56 percent, and this is the largest increase in Europe.

Of great significance for the real evaluation of the standard of living in Yugoslavia, in addition to the reduction of the working time necessary for the purchase of certain goods, is the fact that the number of people employed (and the number of employed members of a family) has also increased rapidly. This adds a "new" source of revenue for the family budget and has a positive influence on the standard of living for the family.

9548

CSO: 2800

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